

Ex-taxman held for forgery, fraud

RAINE MARCUS

A FORMER customs and VAT investigator, suspected of using forged identity cards to open bank accounts, and to defraud authorities out of tens of thousands of shekels, was remanded for four days by Tel Aviv Magistrate's Court yesterday.

Ron Grunland, owner of a Tel Aviv plastics company, was arrested Friday at his home and taken to his office, where investigators found a forged identity card, forged invoices, and other identity cards. Requesting a 12-day remand, customs and VAT investigator Rafi Gabai told the court Grunland took advantage of procedures he had learned to artificially inflate his firm's turnover and thus fraudulently demand additional VAT refunds.

At his office investigators found an identity card in the name of someone currently abroad, but bearing Grunland's photograph. Gabai said Grunland used the ID to open a bank account and a straw company, which he used to fraudulently obtain VAT rebates.

Scores of other identity cards, "with accessories to forge them," were also seized in Grunland's office together with ledgers and invoices. Under questioning, Grunland denied all allegations and said another man, whom he could not describe, gave him the identity cards.

Defense lawyer Sassy Gez told the court his client "has a clean record and denies all allegations. He will not disrupt further investigation."

Judge Gideon Neufeld remanded Grunland for four days, "because of evidence found in his office and the severity of the allegations." Sources said police are expected to intervene in the probe regarding the forged identity cards, and that customs and VAT authorities would continue to investigate allegations of financial fraud.



Outbound passengers wait to check in yesterday at Ben-Gurion Airport. The Airports Authority announced that some 40,000 travelers entered and left the country over the past 24 hours on 227 flights. (Shaul Rahamim)

NRP opposes passage of basic laws

LIAT COLLINS

THE National Religious Party is opposing the planned passage of three basic laws during the Knesset recess, before the elections.

"It is unacceptable that such significant laws, which could have such an influence on life and society, should be passed hastily, without public debate or full knowledge and deliberation," an NRP spokesman said yesterday, after the party's Knesset faction met to discuss the issue.

The NRP and other parties opposed the bills when they came up, the Knesset just before the recess for fear they would be used by the High Court to circumvent laws affecting religious issues. The bills are being pushed by Law Committee chairman Dedi Zucker (Meretz).

In a statement put out after the meeting, the NRP called on Prime Minister Shimon Peres and opposition leader Binyamin Netanyahu not to take part in what it called "a political grab which cannot increase respect for the Knesset or its work. The NRP will support the promotion of civil rights, while maintaining the Knesset's standing as the supreme legislative body and preserving the religious status quo."

The NRP said the basic laws would harm the Knesset's sovereignty by granting the High Court the means of overruling legislation, although "the court has not been elected by the people and its composition does not reflect all sectors of society, unlike the Knesset." The NRP refuses to see the basic laws as a constitution, unless they include a Basic Law: The [Religious] Status Quo, which has passed preliminary reading.

The party is also calling for the issue of a constitutional court to be clarified before the completion of the rest of the basic laws.

Schwartz sentenced to 18 months

THE Northern District Military Court yesterday sentenced Arye Schwartz to 18 months in prison, plus 18 months suspended, and reduced his rank from staff-sergeant to private. Schwartz had previously confessed to and been convicted of taking weapons from the army and giving them to Haggai and Yigal Amir.

stolen weapons had been returned to Schwartz by the Amirs before the murder.

Schwartz said that he had decided to return the weapons in May, after Yigal Amir, with whom he had studied at the Kerem Diyavne Yeshiva, asked him to procure more weapons for Haggai. He said the request disturbed him.

The sentence was part of a plea bargain in which Schwartz agreed to confess if the prosecution dropped charges that the stolen weapons were to be used to attack Arabs. Schwartz was arrested after an arms cache was found at the Amir home following the assassination of Yitzhak Rabin. Most of the

Schwartz's lawyer, Daniel Friedman, stressed that his client's crimes were in no way connected to the assassination, and prosecutor Capt. Orly Yaron agreed, saying the prosecution had no evidence of a connection between the defendant and the murder. (Itm)

Friedman released from prison

HERB KEINON

ARYEH Friedman, a Jerusalem rabbinic leader placed in administrative detention in January, was released from Sharon Prison yesterday, 10 days before his three-month term was to expire.

Friedman was the last Jew held in administrative detention. Mordechai Mintzer, who represented Friedman in appeals before the Jerusalem District Court and later the Supreme Court, said that to this day neither he nor his client knows why he was held. Friedman's appeals were rejected, though Supreme Court Justice Zvi Tal recommended that his term be substantially cut. Mintzer said that 10 days can in no way be considered a "significant" reduction.

Friedman, 50, lived in Kiryat Arba for a few years before returning to Jerusalem last year. The state argued during the appeals that he was a danger to state security. The small amount of unclassified material in the case centered around extremist statements Friedman allegedly made in the past.

Friedman's release comes three days after Supreme Court Justice Dalia Druor overturned the administrative detention of Rabbi Yitzhak Ginsburgh, head of the Od Yosef Hai Yeshiva in Nablus, saying there was no basis for holding him. This was the first time that an administrative detention order was overturned for anything but technical reasons.

HUC gets ministry funds for rabbinical students

HAIM SHAPIRO

IN what the Reform movement described as "an act of penitence," the Religious Affairs Ministry transferred almost NIS 500,000 to Hebrew Union College (HUC) yesterday.

The money is for subsidies for full-time rabbinical students, following a ruling by the High Court of Justice that subsidies for yeshiva students should also go to those studying at the Reform rabbinical seminary.

Rabbi Uri Regev, director of the Reform movement's Israel Religious Action Center (IRAC), said the payment was to have set-

led accounts for payments for 1993, 1994, and 1995. The ministry made a payment of over NIS 200,000 in October 1994, but had delayed paying the remainder in what Regev described as bureaucratic obstructionism.

"They actually owe another another NIS 200,000, but I am ready to believe that this is due to a genuine accounting error on their part," Regev said.

IRAC spokesperson Anat Galilithum said the ministry and HUC

had agreed on a formula whereby subsidies for HUC students would be 85 percent of those paid for yeshiva students, with payments for 11 months a year. Students who worked would not be entitled to the subsidies, she said.

Regev said that following the settlement of its own claims, the IRAC would now fight to see that the Conservative movement's Institute of Judaic Studies received similar payments for its students.

Meanwhile, in a related devel-

opment, the IRAC for the third time petitioned the High Court of Justice against the Jerusalem Municipality, in an effort to force city council to approve the Reform and Conservative candidates nominated by Meretz for the Jerusalem Religious Council.

The IRAC also asked the court to charge the city council members personally for court costs. The IRAC argued that in the past the court had charged the Jerusalem Municipality for costs, but since this came out of the public purse the move had no effect on the members of the coalition.

Israel Police helped obtain conviction in Cyprus murder case

BILL HUTMAN

Identification and Forensics Science (DIFS) - went to Cyprus.

"Our people used DNA testing on the victim's parents to show beyond a doubt that the blood on the soldiers was hers," Almog said.

Some of the tests were done at the forensics biology lab at Israel Police headquarters in Jerusalem.

Two DIFS officers, Supts. Nira Galili and Paul Brauner, gave expert testimony before the Larnaca court during the

trial, which was crucial in obtaining the conviction, according to Almog.

"Forensics divisions all over the world work in cooperation," Almog said.

"We are experts in certain fields where others call on us for help, while we get help from other countries in areas we lag behind."

Almog said relations were particularly close with the Cypriot police, and he has met on several occasions with his counterpart there.

"It's in everyone's interest that we work closely together," Almog said.

64 lessons now needed for tractor-trailer license

HAIM SHAPIRO

THOSE seeking to become tractor-trailer drivers must take 64 driving lessons before they can take a test to qualify for a license, according to regulations which are to go into effect on June 1.

The Transport Ministry said yesterday that it is instituting the new regulations because of the increasing number of accidents involving trucks.

In 1995, there were 20 percent more fatal accidents involving trucks than in 1994, with 121 people killed, compared to 101 the previous year.

The ministry noted that heavy trucks, those weighing more than 34 tons, are involved in fatal accidents twice as often as

buses and four times as often as cars.

According to the new regulations, those without a driver's license will need a minimum of 32 lessons - of at least 40 minutes each - to drive a truck under 15 tons, while those who possess a license will need 20 additional lessons to obtain a tractor-trailer license.

An additional 20 lessons are needed to go from a light truck to one over 15 tons, while a license for a tractor-trailer involves 12 more lessons.

At each stage, the driver will have to pass theoretical and practical tests, according to Transport Ministry spokesman Avner Ovadia.

Histadrut move to Jerusalem begins

MICHAL YUDELMAN

THE Histadrut's move to Jerusalem began yesterday, as the office equipment and files of its treasury, organization section, and computer unit were loaded onto trucks and dispatched to the Histadrut's new home in the capital's Givat Shaul.

The move is expected to be completed by the end of Pessah. The workers will follow a few days after.

In another development, Histadrut Chairman Amir Peretz yesterday issued an ultimatum to the Zinger-Barnea investment house over negotiations for the purchase of the Davar Rishon daily. Peretz announced that if the final agreement for purchasing the paper is not signed by the end of the month, he will cut off all funding to the newspaper.

The initial deadline for the deal was yesterday, but the entrepre-

neur's recent idea to merge Davar Rishon with the Telegraph financial daily caused a delay in the transaction.

The Histadrut had dropped its plan to close the newspaper at the last moment, when Zinger-Barnea offered to purchase it. Now Peretz fears that if the deal falls through and Davar Rishon closes after all, it would create the impression that the Histadrut had prevented its closure for political reasons.

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A Russian army APC passes between a burned apartment building and another burned APC in Grozny yesterday. (Reuters)

Yeltsin halts combat in Chechnya

News agencies MOSCOW

June 16 may hinge on whether he can persuade voters the war is winding down.

His plan was similar to one offered by the Kremlin in January 1995 when the president's Security Council declared military operations effectively over and a second stage, with emphasis on talks, had begun.

That plan failed when talks broke down and the rebels renewed their bloody campaign.

Gennady Zyuganov, Yeltsin's main rival for the presidency, also said he had plans to bring the Chechen conflict to an end. Like Yeltsin, the Communist Party leader said troops must be withdrawn from quiet regions, the Interfax news agency reported.

Further, he said, a 24-hour-a-day coordinating group must be set up in Moscow and that Chechen leaders - village elders,

mulas and leaders of clans - must be involved in settling the conflict, the Interfax news agency said.

On the eve of his speech, Yeltsin said his plan would go into effect immediately. "As soon as I speak, the realization of the plan begins," he said at a ceremony honoring Interior Ministry troops.

Yeltsin said negotiations will have a central role in the plan, but the plan "will show no mercy to terrorists."

As Yeltsin prepared to address the nation, Russian troops continued their offensive to isolate rebel fighters in southeastern Chechnya.

Large-scale operations were carried out yesterday in the Vedeno and Nazhai-Yurt districts where federal troops have sealed off eight mountain villages, ITAR-Tass said.

The Interfax news agency reported that Russian positions came under fire 15 times since Saturday, including seven attacks in the capital, Grozny.

been drawn.

"At the same time the Chechen leadership will pursue efforts to extend zones of conciliation, security and peace in the Chechen republic. Today they account for up to two-thirds of its territory."

But, the president said, the security of Russian people must be provided for. "We will not reconcile ourselves to terrorist acts and they will receive an adequate response," Yeltsin said.

He said halting combat operations and withdrawing troops were not a substitute for the political process of ending the war that has dragged on since December 1994.

"The second task is to prepare and hold free democratic elections to the republic's parliament throughout Chechnya, the parliament in which the interests of the entire population should be represented," he said.

Yeltsin's hopes of re-election on

the 31st of March at midnight, combat operations on the territory of Chechnya will cease and multi-stage withdrawal of federal troops from calm regions to administrative borders will start.

"I want to emphasize that military actions have helped create the necessary preconditions for a radical change in the situation.

"A stage-by-stage withdrawal of federal forces from quiet regions of Chechnya to its administrative borders is beginning. The plan for the redistribution of troops has

Conductor Enrique Jorda, 84

BRUSSELS (AP) - Basque-born music director Enrique Jorda, who conducted many of the great orchestras around the world, has died, his family said yesterday.

Jorda, 84, a naturalized American citizen who was music director of the San Francisco Symphony from 1954 to 1963, died after a two-month illness and complications from a blood transfusion.

He had been music director of the Madrid Symphony Orchestra, the Cape Town Symphony Orchestra and the Antwerp Philharmonic, and had been guest conductor in many of the world's greatest concert halls.

During his stay in San Francisco, he took special care to highlight a lot of works of local composers. He also brought classical music outside the concert

hall and played in a local prison. His openness for new musical influences led him to stage a classical jazz concert with Dave Brubeck.

He became a US citizen in 1963. "He admired the country and had hoped to go back there one day," said his widow, Audrey.

But the itinerant life prevailed and he spent most of his time in Europe and settled in Brussels.

Born in San Sebastian, Spain, he took up music at 5. He left to study in Paris and, after the Spanish civil war refused to return to the Franco regime.

After the war, he went to Cape Town but decided to leave after six years because of his opposition to apartheid. "He was very outspoken and insisted everyone be allowed to attend his concerts," Mrs. Jorda said.

Atlantis lands after historic Mir voyage

CAPE CANAVERAL (Reuters) - Space shuttle Atlantis landed at Edwards Air Force Base in California yesterday after leaving an American on the Russian space station Mir to establish a permanent US presence in space.

The shuttle touched down at 8:29 a.m. to end the 10-day voyage to deliver US astronaut S. Shannon Lucid to the Russian space station.

"Welcome back, Atlantis. Congratulations on successfully delivering Shannon and successfully completing the first approach and landing from the new mission control center," said capsule commander Bill Gregory at mission control in Houston.

"It sure feels good to be home, Bill," shuttle commander Kevin Chilton said.

For the first time, the shuttle returned to Earth with one fewer astronaut than it left with. Atlantis' commander Kevin Chilton joked that "you usually get in trouble for that."

Barring any emergencies, Lucid will break the record for an

American in space before Atlantis returns to ferry her home in August. The shuttle's 10-day, 6.1 million km voyage was the third time that the ship has docked with the Russian Mir station.

But the mission also experienced small problems, including one that mission managers feared could lead to an emergency landing when it appeared that the shuttle's payload bay doors would not open. The doors were working properly; the crew was getting a false indication that the doors were not opening.

NASA spokesman James Hartsfield said yesterday the number of problems the shuttle had during the voyage was "about average" compared with the previous 75 shuttle missions.

Atlantis will not require extra time or effort for processing, Hartsfield said. "The problems on this voyage may have been more high-profile than usual," Hartsfield said, "but that doesn't mean they are more difficult to fix."

Moslems, Croats announce new pacts

SARAJEVO (AP) - Aiming to breathe new life into their ailing federation, Moslems and Croats agreed yesterday on a plan to impose control on local warlords.

They also agreed on a new customs union to finance their federation and a flag to represent it.

"We have a motto for the month of April, which is 'deeds not words,'" said Michael Steiner, the deputy to the international community's top civilian official in Bosnia, Carl Bildt.

The federation, the cornerstone of the US-brokered peace agreement for Bosnia, has never functioned. It has been a victim of war profiteers, nationalist politicians whose power rests on ethnic division, and lingering distrust between Moslems and Croats who fought a year-long war.

Announcing the new agreement, with federation Vice President Ejup Ganic at his side, Steiner said: "I have no illusions that we have still a long and diffi-

cult way to go. That's how politics are."

Ganic called the agreement "a step forward" and said the customs union was especially critical because it is the foundation for the federation's financial institutions.

The customs union means that all duties collected at federation borders will be divided. Western diplomatic sources said two-thirds of the revenue would go to the federation and one-third to the Bosnian government.

Currently, local warlords run checkpoints across federation territory and often collect "customs fees" to pass their territory. The agreement stipulates that these checkpoints should be eliminated.

The agreement also sets target dates for the implementation of key policies to make the federation work, such as preparation of a budget and establishment of a banking system.

And for the first time, it imposes

sanctions on leaders who fail to meet the deadlines, naming people responsible for specific tasks and saying they will be fired if they fail.

Towns and regions in federation territory that do not comply with the agreement face a cutoff of all reconstruction aid.

Steiner said the agreement would allow an international summit, originally scheduled for last Thursday, to go ahead in Petersberg, Germany, sometime in April. That summit was expected to discuss how to merge Croat and Moslem police and cut the overall force from about 60,000 to 20,000.

The federation leaders also agreed on a flag with a thin red stripe on top, a wide white band and a thin green stripe on the bottom, with a red-and-green national coat of arms that combines the flag of Moslem Bosnia and the checkerboard of Croatia. The federation parliament must approve the flag.

EU farm ministers meet

BRUSSELS (AP) - With the European Union ready to help rescue Britain's beef industry, EU farm ministers must translate that commitment into effective policies to stop the ban on British beef exports can be lifted.

The farm ministers have scheduled an emergency meeting in Luxembourg today in hopes of easing the worldwide mad cow panic. EU leaders pledged full solidarity with British Prime Minister John Major at a summit Friday.

At the farm meeting in Luxembourg, Britain, critical of the EU ban on British beef exports, will seek to end the measure as quickly as possible, claiming there was no rational basis for the blanket ban.

"Obviously it is a major objective of ours to get the ban lifted, but we've got a lot of work to do," British Agriculture Minister Douglas Hogg said. He already banned meat sales from older cattle and imposed stricter monitoring of animals.

But more drastic British measures likely will be necessary to overturn the ban. The farm ministers are likely to assess new British proposals to eradicate mad cow disease, a deadly brain ailment that has

been linked to an equally fatal human strain.

French Farm Minister Philippe Vasseur said over the weekend he is ready to support the slaughter of the entire British beef herd if necessary to wipe out the disease and restore consumer confidence.

"If scientists say that the only solution is to slaughter all British livestock, 1 for one will be ready," Vasseur said.

But whatever happens, London can count on financial assistance.

Hogg said he "detected a willingness (from the EU) to show real financial solidarity" with the embattled British beef farmers, following a preparatory meeting with EU Farm Commissioner Franz Fischler.

In Turin, Italy, Chancellor Helmut Kohl said Germany had been able to count on similar EU assistance when swine fever swept his nation a few years ago.

Ridding Britain of mad cow disease will be costly. Preliminary estimates start at \$4 billion and shoot up, depending on the number of cattle that would be destroyed.

Scandal and chaos: It's Italy

ROME (AP) - Politicians are contending their opponents to Goebbels and calling each other traitors, betraying their allies and fighting off prosecutors.

One of the hottest topics of debate has been a scandal-sewing countess whose tales put a judge in jail and pushed her lover out of politics. Yes, it's campaign season in Italy.

It's all rather embarrassing for the current European Union president. But even worse, Italy's third election in four years is very likely to produce yet another stalemate.

Polls published yesterday, the last day they are allowed before the April 21 vote, show coalitions on the right and left just about neck-and-neck.

The chances are high neither side will win a majority in Parliament. That would put Italian politics back where they were in mid-February, when the president called for a vote three years ahead of schedule because politicians could not agree on what reforms a new government should tackle.

Politicians suggest the center-left coalition dominated by the former Communists and the center-right alliance, led by media magnate Silvio Berlusconi, again would try to come up with a new election system that would guarantee stability - and then go on to another election.

Thing were supposed to change with the political corruption scandal earthquake called "Tangentopoli" (Bribe City) that began in 1992. But reforms were only half realized. The current system is a messy

Hong Kong protesters denounce Beijing

HONG KONG (Reuters) - Hundreds of defiant Hong Kong protesters angrily denounced China yesterday for its heavyhanded efforts to reverse democratic reforms while thousands more scrambled to secure British travel documents.

Cheered and waved on by spectators hanging from windows of trams, buses and buildings, the demonstration grew to over 800 people as marchers snaked through the crowded streets of Hong Kong chanting "Silence is not golden, it's fatal."

Nearly thousands more queued anxiously at Immigration Headquarters in a last ditch scramble to secure British travel documents in a bleak demonstration of the lack of confidence in the future under Chinese rule next year.

China, which resumes sovereignty of the British colony on July 1, 1997, has spread dismay and fear throughout Hong Kong by ordering the dismantling of its fully-elected legislature, Legco, when it resumes control.

It plans to replace Legco with an appointed chamber, dismissed scornfully by Hong Kong's democrats as nothing more than a rubber stamp, has stoked an angry backlash in the normally docile British colony.

Scandal and chaos: It's Italy

hybrid of proportional and majority voting that produces a welter of parties banding into unstable blocs.

In one poll, published yesterday by the Turin daily *La Stampa*, the two blocs hovered at around 38 percent. Six percent of the vote was given to the federalist Northern League party and the rest were undecided. No margin of error was provided.

The key battleground is in northern Italy, where the once powerful Northern League has declined. Both alliances are battling for their voters.

Confusing the scene are conflicting candidacies on both sides.

Berlusconi has said that if his main ally, the right-wing National Alliance, overtakes his own Forza Italia party, National Alliance leader Gianfranco Fini could become premier.

Fini rejected the suggestion, mindful of a voter backlash. His political past rests in the Italian Social Movement, the heirs of Mussolini's Fascist party.

On the left, former state industrial executive Romano Prodi, an economist, is the standard-bearer. He was closely linked to the now-defunct Christian Democrats and was chosen by the former Communists to appeal to voters who would be alienated by the party's Marxist past.

But a rival emerged last month: Italy's caretaker premier, Lamberto Dini, who said he was creating a party to join forces with the center-left coalition.

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The Nation

Minimum Wage, Maximum Debate

By STEVEN GREENHOUSE

ALTHOUGH many Republicans are loath to admit it, there is an undeniable logic to Democratic proposals to raise the \$4.25-an-hour minimum wage.

That logic goes like this: if a plant is thirsty, water it; if a tire is losing air, fill it; if the pay of low-wage workers keeps them mired in poverty, then simply raise it — if necessary, by legislation.

For President Clinton and the many Democrats pushing for a higher minimum wage, such a step would be one way to narrow the growing income gap between Americans on the bottom rungs and those on the top. The Democratic plan to raise the wage to \$5.15 over two years would also be a tidy way to stop the incomes of low-wage workers from falling further behind inflation.

In an election year, there's a lot of political logic at work, too. With three-fourths of Americans supporting an increase in the minimum wage, and with the wage gap growing as a public issue, the Democrats see a higher minimum wage as a political slam-dunk.

In large measure that explains why Democrats pushed the issue onto center stage in Congress last week and why Mr. Clinton made it the subject of his weekly radio address yesterday. Depicting their party as the friend of Joe and Jane Lurchpaal, the Democrats said that raising the minimum

to \$5.15 would increase the wages of approximately 4 million workers now earning \$4.25 an hour, and of another 8 million earning between \$4.26 and \$5.14 an hour.

As the Administration's chief cheerleader on the issue, Robert B. Reich, the Secretary of Labor, has repeatedly pointed out that the \$8,500 that a full-time minimum-wage worker earns each year is so far below the poverty line that the worker would most likely need welfare and food stamps to support a family. With the poverty line set at \$15,600 for a family of four, one full-time worker would need to make \$7.90 an hour to climb above that line. Mr. Reich also notes that because of the corrosive effects of inflation, the minimum wage — which was last increased five years ago tomorrow — is 31 percent below where it was in 1979 and will soon be at its lowest point in 40 years.

Lifting All Boats

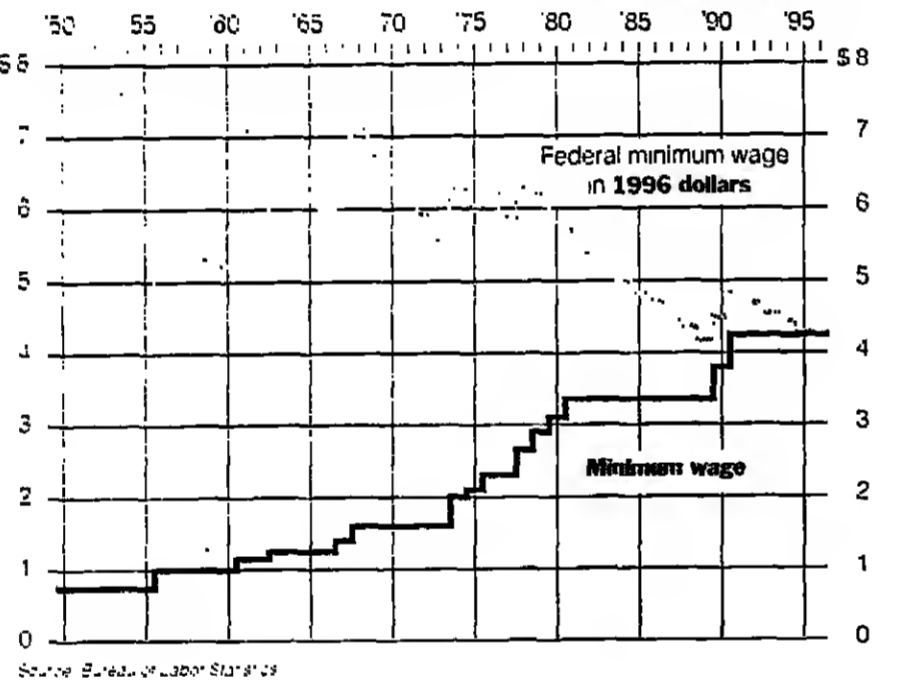
"Some people want us to believe that the typical minimum-wage worker is a teenager flipping hamburgers," Mr. Reich said. "That's simply not the case. Most minimum-wage workers are over 20 years old, and 40 percent of them are the sole breadwinners in their family."

Democrats look to a higher minimum wage as a way for a rising tide of economic growth to lift all boats, not just the yachts.

For many Republicans, the Democratic drive to lift the minimum wage is equal parts junk economics and cheap politics.

Inflation's Squeeze On the Lowest Paid

Congress established the first minimum wage of 25 cents an hour, during the Depression as part of the Fair Labor Standards Act of 1938. The value of the minimum wage, as measured in 1996 dollars, has fallen 31 percent since 1979. As buying power has fallen, so has the percentage of hourly employees working for the minimum or less.



\$4.50 AN HOUR A stock worker at a drug store on West 42d Street in Manhattan.

Eager to show that they too are concerned about the poor, Republicans argue that lifting the minimum wage will result in layoffs for tens of thousands of low-wage workers because many of those jobs would be eliminated or shifted overseas.

In Senate debate last week, Senator Bob Dole, the all-but-annointed Republican candidate for President, said: "There are going to be a lot of young people who lose their jobs. Many are black teenagers, and many are young people whose parents live below the poverty line."

Senator Don Nickles, Republican of Oklahoma, said a higher minimum wage would cause many employers to hire fewer unskilled workers once they became more expensive to employ. "Instead of helping people get on the economic ladder, the Democrats are pulling the economic ladder up and not enabling people to get on."

Senator Dole may have won last week's legislative battle by maneuvering to prevent the Senate from voting on a higher minimum wage, but the Democrats say President Clinton is winning the public relations war by showing his concern for the beleaguered American worker.

Just Politics

Geoffrey Garin, a Democratic pollster, said, "People believe that somebody who works a 40-hour week ought to make a wage they can live on, and the fact that Republicans oppose that notion is incredibly damaging of them to voters."

Supporters of a higher minimum received some unexpected new moral ammunition last week when a study found that chief executives' pay, with stock options included, soared 31 percent last year, the highest jump in a decade, putting their median pay at \$5 million.

Republicans insist that Mr. Clinton's push for a higher minimum wage is not quite the high-minded enterprise the Democrats suggest. "They know it has no chance of passing," Senator Nickles said. "They're just trying to score political points."

Nonetheless, Senator Alfonse M. D'Amato of New York and a handful of other Republican Senators, perhaps sensing which way the political winds are blowing, last week announced their support for a higher minimum wage.

Some minimum-wage workers say it is patronizing for Republicans to assert that a higher minimum wage would wallop the poor. Lawrence Ware, a \$4.25-an-hour temporary employee with the New York City Human Resources Administration, took issue with the Republicans, saying: "It makes me feel like they prefer the cliché, 'The rich get richer and the poor get poorer.' They don't really care much about poor people." Like many low-wage workers, Mr. Ware said he doubted that a higher minimum would cost his job. The Clinton Administration



\$5.05 AN HOUR News vendors at the Port Authority bus terminal in Manhattan.



\$5.00 AN HOUR A parking-lot attendant on West 26th Street in Manhattan.

and many Democrats point to several recent academic studies that buttress this view. The best-known study was conducted by two Princeton professors, David Card and Alan Krueger, who surveyed 331 fast-food restaurants in New Jersey when the state raised its minimum wage by 80 cents, to \$5.05 an hour, in 1992. (Ten states have minimum wages that are above the Federal level). The professors found that even though the restaurants gave the 19 percent increase to their many minimum-wage

workers, the higher minimum did not cause a drop in the restaurants' employment. At the American Economics Association convention last January in San Francisco, Robert Solow, a Nobel Prize-winning economist, presided over a panel discussion in which conservatives and liberals crossed swords. But, he said, a consensus emerged that "the employment effect of a moderate increase in the minimum wage would be very, very small."

Talking Head

The Making of the Rhetorical Presidency

Continued from page 1

pression was allowed in schools, that the same First Amendment that bars establishment of a state religion also guarantees the free exercise of religion. He called for cutting or reshaping affirmative action programs that foster reverse discrimination or impose quotas, while defending the broad goals of affirmative action.

Then, in the autumn, he re-established his Democratic credentials, defining himself as the defender of education spending, environmental protection, Medicare and Medicaid. And in a third set of speeches, beginning with the State of the Union, he has been taking stands — on the V-chip in television sets, school

uniforms and school competency tests — to build a Democratic, child-based values agenda of his own that strikes a chord in anxious parents.

As political tools the speeches have been masterful. Mr. Clinton often speaks of values and proclaims things to be flatly right or wrong, thus erasing the impression he created in his first two years that he was short on core convictions.

Theme by theme, Mr. Clinton has pulled up his favorable poll ratings in such a methodical way that if he wins re-election in November journalists and political strategists will probably be able to go back like archeologists and examine the new strata of support he

gained with each new speech series. But is this governance? Will there come a time when the American public will be tempted to shriek like Eliza Doolittle to her suitor Freddy, "Words! Words! Words! I'm so sick of words!"?

Limits of Exhortation

"I think speeches can only carry you so far," said Stephen Hess, a senior fellow at the Brookings Institution. "It is the bully pulpit, but ultimately you can only do so much exhorting. In some ways I think he's almost reached the limit of it."

Certainly that is what Senator Bob Dole is counting on when he tries to turn his own inability to articulate a vision into a plus by criticizing Mr. Clinton as all talk.

Some of Mr. Clinton's aides argue that in this overamplified age a Presidential speech works like a bank shot in billiards. The President makes a speech. The speech rebounds and mobilizes public opinion. And public opinion moves another sector of society to act. They point to Mr. Clinton's discourses on the V-chip, noting that after he spoke repeatedly about how it would allow parents to control what their children watch and then summoned entertainment executives to the White House, the executives agreed to produce a voluntary television rating system.

But that downplays the fact that telecommunications legislation that Mr. Clinton had signed contained another prod: if the industry didn't come up with a ratings system, the Government would.

There is also a question of whether a speaker is leading public opinion or following it. The historian Doris Kearns Goodwin notes that when John F. Kennedy in a campaign speech called for the peace corps, "people came forward and wanted to join this non-existing organization. There was something out there, a chord he was touching, but he gave it a name."

Was Mr. Clinton doing the same thing last week when, appearing before a conference of governors in

Palisades, N.Y., he spoke out against "social promotion" in schools and called on the states to use competency tests? Or was he, as a number of Republican governors charged, simply usurping an idea that they had already agreed on, giving it his own imprimatur?

Even if that is the case, the public is not objecting. "The first years of the Clinton Presidency one did not see him using his rhetorical power," said Kathleen

Hall Jamieson, the dean of the Ammenberg School for Communication at the University of Pennsylvania. "You now see him using the rhetorical power of the Presidency."

She added, "The notion that you need to pass things as an indication of leadership is an archaic notion in an age in which the premise of the Republican Congress is that less government is better."

A Man of His Words

President Clinton's speeches over the last year have announced new roles for himself and new themes for his Presidency. A sampling:

Dallas, April 7, 1995: "We have entered a new era. For years, out here in the country, the old political categories have basically been defunct, and a new political discussion has been begging to be born. It must now be so in Washington as well. The old labels of liberal and conservative, spender and cutter, even Democrat and Republican are not what matter most anymore. What matters most is finding practical, pragmatic solutions. . . . Ideological purity is for partisan extremists."

Georgetown University, July 6: "We can't restore the American dream unless we can find some way to bring the American people closer together. Therefore how we resolve these differences is as important as what specific position we advocate. I think we have got to move beyond the vision and resentment to common ground. We've got to go beyond cynicism to a sense of possibility."

Houston, Oct. 17: "And we don't have to go back to the time where we say to an elderly couple, if they're lucky enough to both live and be happy and they're way up in their 70's and 80's and they're still together, but they don't have much money and one of them needs to go into a nursing home, you've got to sell your house, you've got to sell your car, you've got to clean out your bank account or your spouse can't get any help. Do you really want to give those people that choice? I don't. We don't have to. It's in their budget, but we don't need it to balance the budget. And I'm going to fight it. It's not right. It's not right."

Long Beach, Calif., Feb. 24, in praise of school uniforms: "They slowly teach our young people one of life's most important lessons — that what really counts is what you are and what you can become on the inside, not what you are wearing on the outside. And at least on that score, I think you can make a serious argument that this school uniform benefits the children of affluent families as much as it benefits the children of poor families, because that is a lesson that all our children need to learn."

The World

Europe Isn't Divided In Its Joblessness

By CRAIG R. WHITNEY

PARIS
THE European Union is deep in crisis, perhaps the worst of the decade. It is not about beef, the problem that preoccupied leaders of its 15 nations Friday in Turin, where they had planned to kick off a conference on how to handle expected expansion, but about the one thing that truly unites them: unemployment.

That has now reached a European-wide average of 11 percent, nearly double the rate in the United States.

Pitting alienated European working-class populations against unemployed immigrants, "Dickensian" Britain against "socially advanced" continental welfare states, chronic unemployment has undermined the optimism and self-confidence that created European unity after World War II.

It is the one problem, this generation of European leaders seems to be able to do the least about, undermining the confidence of younger generations in unity as their best guarantee of peace and prosperity in the future, Germany, the economic engine of the continent, is as severely affected as the rest.

As in America, the employment pattern has had to adjust to increased competition from low-wage manufacturers from abroad. In Europe, in addition, the problem is compounded by social regulations that include heavy payments for health insurance, pensions and unemployment insurance, and such stringent protections against dismissal that companies think long and hard before hiring anybody.

Many economists are beginning to argue, therefore, that what the European welfare state produces most efficiently is joblessness.

ness. They say Europe simply has to consider lowering the minimum wage, shifting some burdens of paying for social benefits from payrolls to tax rolls and changing work habits that now put five- and six-week vacations ahead of productivity growth.

A passion for productivity can complicate the job market if it turns into a passion for downsizing, as it has in the United States, but at least small businesses generate millions of jobs there. Nor the high-paying kind, however, that Europeans think of as a right. "French workers don't want to live like the Anglo-Saxons," union leaders warned during last December's strikes against the French Government's first attempt to whittle down the welfare state.

The leaders at Turin didn't set out to do that. France's President, Jacques Chirac, pressed them to reaffirm support for a high level of social protection, rather than see a spiral of competition to attract employers by undercutting wages and benefits.

Trains or Beef

He also wanted them to get on finally with a series of large-scale construction projects on trans-European rail and communications networks that have long been discussed as potential job generators. But with billions needed to solve the spreading beef crisis, there may be little money left for construction projects.

Unable to do much about their problems, European leaders often take to denying their exist. Meanwhile, last month, Germany recorded a post-World War II record of 11.1 percent unemployment. And if its economy slumps, France, where 11.8 percent are jobless, is almost sure to follow. The two are each other's biggest trading partners.



Unemployment has left youths in France, like these unemployed young men in Marseilles, deeply uncertain about the future.

Throughout the European Union, governments are all strapped and paring budgets to reduce debt built up by years of unemployment benefits for millions of people. Nobody knows of a simple solution except demagogues like France's Jean-Marie Le Pen, who wins ever larger vote shares by saying unemployment would disappear if immigrants — a disproportionate share of the unemployed — were just chucked out.

Many Europeans, like Americans, blame cheap labor overseas or immigration for their unemployment troubles, even though many big European companies have followed Volkswagen's example and agreed with labor unions to cut work hours and save jobs rather than dismiss employees.

European leaders met in Bangkok earlier this month hoping to create new jobs by stimulating trade with the booming economies of Asia, and employment ministers will meet with American, Japanese and

Canadian counterparts in Lille this week to discuss global unemployment.

Still, Britain felt it necessary five years ago to opt out of the European Union's "social charter," a codification of its welfare-state labor practices.

A Corrosive Influence

The longer unemployment continues to be chronically high, the more corrosive the effects on self-confidence. In France, one recent survey of 500 people between 18 and 25 years old, taken by the Sofres organization, showed that more than half expected to be living less well in 20 years than they did now, compared to only about one in four Germans surveyed last summer by the Emnid organization.

Little wonder that French youth today are more worried about jobs than any generation since the 1930's. "I have grown up

surrounded by young people who can't find work when they finish their studies," said Véronique Ridel, a 22-year-old university graduate in Rheims. "They live with their parents, they can't collect unemployment benefits, they've never had jobs. If it weren't for my father, I'd be out on the street."

When French university students went on strike last fall, they were not trying to bring Marxism back or the Government down. They wanted the Government to spend more money on building better classrooms and hiring more professors, to give them a better shot at what jobs there may be.

Alienation is as much a part of European culture today as in the days of Jean-Paul Sartre and Albert Camus. But in an era of bewildering technological change, the new existential question is how to bring jobs back. Without an answer to that, the whole idea of Europe could be in trouble.

Living Helpless and in Hope

It's Not Easy Being 'José'

MAZZATLÁN, Mexico
THERE are nearly 100 million Mexicans below the Rio Grande, but in the heat of an American election campaign they often are reduced to clichés.

For the American who fears for his job, there is just "José," a malevolent and suspicious partner who would take what the United States has. For the businessman who worries about his investment, there is only a corrupt and indifferent Mexican system to be wary of. For a candidate who plays on fears, there is nothing but an unwelcome neighbor whose very language and culture are threats.

The truth is that even for the Mexicans themselves, these times are a puzzle. But in trying to understand the complexity of their lives, there is perhaps one good place to start: the perpetual coexistence, for most, of both hope and helplessness.

Consider the experience of a small group of women in this shrimp-catching port on the central Pacific coast.

These are hard times for Mexicans, as they struggle through ferocious economics and poisonous politics, and it became especially so last Sept. 14 in Mazatlán, when the luck of the shrimp men just ran out.

It was the season when men bet their lives against the weather to make the first



Rosario Gonzales, left, Rosalina Sánchez Pérez, center, and María de Jesús Miramontes set out to inspect hoped-for boats (right).

catch told her. A good catch could bring \$3,000 — enough for the washer and to finish the small house they are building.

"Many, many shrimp."

And then they were gone. Anyone who has seen a Mexican construction site, where men dressed in rags scamper up rough ladders shouldering five-gallon tin cans of wet cement, knows that Mexicans accept hardship. In some Indian communities, corn stalks must be bent during the rainy season so the rain slips off the husks and does not rot the corn. This is made into a lesson for life: In order to survive, a person must accept hardship and be willing to be bent.

So now, surviving on a \$80-dollar-a-month pension, Casilda Rodríguez and her five remaining children expect little help from outside their family or the extended family of the shrimp cooperative. She is not surprised that the Government is dragging its feet on the legal process of giving up the three boats, which are docked at Mazatlán under Navy guard.

"We stupidly support the party at election time and then afterwards they forget us completely," said Rosario González, another shrimp woman whose husband was trapped in an air-bubble in his overturned boat but died when a diver, contracted by the government, cut open an escape hole and let the air slip out.

Not Expecting Welfare

So these are women who have learned not to expect the Government to solve their problems; at best they hope for permission — as with the three confiscated boats — to help themselves.

It is hardly the stereotype so often presented in the United States of Mexicans seeking to pour across the border to take advantage of welfare. "Look, if we could one day have relationships among citizens in the States and citizens in Mexico, we would both be surprised at what we are," said Vicente Fóx, a central state governor and prominent opposition politician. "Unfortunately, the only relationship now is through politics, and that's completely de-

viated from what we really are."

Outsiders often say that Mexico is hard to understand; a European ambassador here says serving in revolutionary Iran was easier than being in Mexico the last four years. For the sense of tragedy itself is complicated. Forged in the clash of Indian warriors and Spanish conquistadors, and unable to declare either side winner or loser, the Mexicans have from the beginning seen defeat as unavoidable, but not permanent.

A National Depression

And the Mexican character today is not simply stiff upper lips and valor. There is corruption and indolence, and an almost primitive violence in much of life. And after more than 15 months of the worst economic depression in 60 years, some prominent Mexicans, like the columnist Raymundo Riva Palacio, think Mexicans suffer from a national depression.

These heirs of Mexico's revolution have taken this crisis calmly. For over the decades they have been lulled into acceptance by an overpowering triumvirate: single-party government, milquetoast labor unions and the powerful television network Televisa, which finds reporting on real crime distasteful even as it fills soap operas with rape, murder and betrayal.

There may be no more practical symbol of the way Mexicans understand the relationship between hardship and hope than the block-and-concrete houses in which most poor Mexicans live. The walls of the ground floor go up first, and then steel bars are set in concrete to form corner posts. The bars extend several feet above the roof line and are capped with Coke bottles to keep them from rusting.

These are called "los castillos" — the castles — and they represent a hope, not in the system or the Government, but simply in the possibility that someday things will get better and that there will be enough money to build a second floor.

Casilda Rodríguez's husband left that September morning promising her that this would be the year to finish their house.

Russia's Press Edits The Communist Out

Continued from page 1

readers take it for granted. But respected newspapers like Izvestia that are labeled democratic (as opposed to right-wing or left-wing) and that have been critical of the Yeltsin Administration until now, have switched their focus — and their undisguised hostility — to what they view as the greater evil, Mr. Zyuganov.

There is an undercurrent of revenge in the non-coverage of his candidacy. Since the Communists did not play fair when they ruled the country, the "democratic" newspapers figure, why should we?

It is fairly obvious why the state-controlled networks ignore Mr. Zyuganov — their directors have made it clear they serve the President's interests first. But the privately-owned network NTV has been just as reticent. Stanislav Marmitko, the deputy news editor of NTV, explained, "We didn't have a bureau nearby. So what if it is his first campaign trip, we're not obliged to cover it."

The Russian networks are doing some things that would be terrible breaches of journalistic protocol in the United States. It would be unthinkable for the president of CBS to formally advise the Clinton campaign; but Igor Malashenko, NTV's chief executive, will work as a top adviser to the Yeltsin re-election campaign.

Izvestia has recently published several pieces reporting rumors of splits within the party leadership, as well as more investiga-

tive stories about the Communists' economic programs. All major non-Communist newspapers have run passionate editorials warning against Mr. Zyuganov's election. But the candidate's speeches and trips are barely covered.

Igor Golembiovsky, the managing editor of Izvestia, explained his decision not to send a reporter to cover Mr. Zyuganov: "First, we have no correspondents in that area. Second of all, Zyuganov doesn't like Izvestia reporters. Third, we're not interested in it. As a leader and as a person — we've already got his number."

The Russian press evidently feels that it is better to ignore the candidate than to give him free air time and publicity. But there is a self-defeating aspect to such attitudes. Without close, daily scrutiny, Mr. Zyuganov can easily fudge facts and distort history with impunity. While every mistake and gross exaggeration of the American candidates on the campaign trail gets scrutinized, here they slide by undetected.

Trying to appeal to nationalist sentiments by stressing his respect for the Russian Orthodox Church, Mr. Zyuganov told his audiences that Hitler told Nazi occupiers that to subdue the Soviet nation they would have to install Protestant clergy in every village. An adviser to Zyuganov later cheerfully admitted the candidate was taking "poetic license" with the facts. Without a truth squad to examine his statements, Russian reporters are giving Mr. Zyuganov license to spout a lot more than poetry.



At a Moscow rally, a Communist supporter holds a picture of Gennadi Zyuganov.

Ideas & Trends

On Trying to Name Famous Living Poets

By EDWARD ROTHSTEIN

TOMORROW, according to T. S. Eliot, begins the cruelest month. Its sweet showers shall pierce March's thirst (Chaucer), its days shall promise uncertain glory (Shakespeare) and it shall arrive as if it possessed sweet, small, clumsy feet (e.e. cummings).

But this year April will also return the bardic compliments. It has been bluntly dubbed National Poetry Month. And among the sweet, small, clumsy steps that will mark the celebrations and promotions are readings, book displays, donated ad space in poetry and trade magazines and a contest to describe a new perfume, "Poème." The American Academy of Poets, whose idea it was, is spending \$130,000 (all but \$40,000 raised from grants and gifts). Publisher's Weekly wryly noted the tendency toward marketing by quoting Robert Frost:

No wonder poets sometimes have to seem
So much more businesslike than business-
men.
Their wares are so much harder to get rid
of.

Big at the Movies

But at least on the surface, poetry would hardly seem to need much of a hard sell. The movie "Il Postino" ("The Postman") may not have won the Best Picture Oscar last week, but it surely says something that an erotically and politically charged poet like Pablo Neruda should be celebrated on the big screen. Miramax's big push for this Italian movie included a CD of the soundtrack that also presents Neruda's poetry read by an unlikely group of fans, including Wesley Snipes, Andy Garcia, Julia Roberts and Madonna.

"Il Postino" also joins a small tradition of recent films that have tapped into a public fascination with poetry. A collection of Auden's poems became a best seller after an elegy was read in "Three Weddings and a Funeral." In 1989, in "Dead Poets Society," Robin Williams tried to persuade a classroom of rich preppies that poetry offers liberation from hypocrisy, militaristic regimentation and academic blather.

And while the number of poetry books published yearly in this country has dropped from a high of nearly 1,400 titles in 1979 to less than 900 in 1990, the figure is climbing again. Nightclubs are turned over to partially improvised poetic riffs and beat-revivalist declamations. Workshops thrive. Bill Moyers has celebrated poetry's diversity on television and in print. The series of annual books of Best American Poetry, edited by the poet and critic David Lehman, are now printed in editions of 30,000 to 40,000 copies.



In the film "Il Postino," the poet Pablo Neruda (Philippe Noiret, left) reveals the power of poetry to a postman (Massimino Troisi).

"We are in an incredibly fertile period in American poetry," Mr. Lehman says, in which the quality of recent work by senior poets — James Merrill, John Ashbery, Richard Wilbur, W. S. Merwin, Mark Strand — "matches any in this century."

But there is a sobering undercurrent to this enthusiastic embrace of the art form. When Joseph Brodsky died early this year, his fellow Russian poet Tatyana Tolstaya wrote a moving tribute in the New York Review of Books. "Joseph, will you come to Russia?" she asked him during a brief meeting in 1988. Mr. Brodsky demurred. "Don't be coy!" Miss Tolstaya remonstrated, reminding him of the acclaim that would be his. "They won't leave you alone," she said. "They'll carry you through the streets." The poet would be borne aloft to Moscow, to St. Petersburg, "on a white horse, if you like," she added. Miss Tolstaya pleaded for his readers — the librarians, museum workers, poor communal apartment dwellers, old ladies of the intelligent-

sia — to no avail. Mr. Brodsky may have preferred the public anonymity here that left him free to work.

For there is no poet here who could conceivably be treated as Miss Tolstaya believes Mr. Brodsky would have been in Moscow. For all the appeal poets have in movie theaters and hip clubs, there are no contemporary poets who have an illuminating role in the national consciousness.

Dearth of Godheads

During the 19th century, such a condition would have seemed unthinkable. Goethe, Wordsworth, Byron and Tennyson loomed over their eras like mythic godheads. Even in this country, for a time, a poet could represent the consciousness of a nation; that was goal of Whitman and even middle-brow poets like Carl Sandburg. But the last truly public poet was Robert Frost, who read at John F. Kennedy's inauguration. In the 1960's, Allen Ginsberg or Robert Lowell

were figures of national importance, but their constituencies were more narrowly defined than Frost's.

The most literate citizens today would be hard put to name the last few poet laureates of the United States (Robert Hass currently holds the title). President Clinton even bypassed the laureate at his inauguration to give the incantatory role to Maya Angelou, whose celebration of multiculturalism was more the point than the quality of her verse. For all its supposed popularity, poetry has much less centrality than it has had in the past. The appeal of the word has been weakened by the age of the screen. The most successful public examples of new poetry may be those that adopt the ideas and techniques of pop culture. And as in the other arts, ethnicity and politics have created poetic subcultures.

Consider "Dead Poets Society," which unintentionally showed why the position of the poet has changed so dramatically since Frost. Its story takes place in 1959 in a

stuck-up boarding school where student assemblies are marked by banners proclaiming adherence to tradition and discipline. Robin Williams explodes onto the scene, an embodiment of the imminent counterculture of the 60's. He has the students rip out an academic introduction to their poetry texts; he declines to teach meter and emphasizes poetry as form of self-expression. He inspires the students to meet secretly, at midnight in a cave where Romantic poetry is spiced with music and the sentiments of the Beats. Poetry becomes a force for political, personal and artistic liberation.

Popular Rebels

The movie, for all its manipulation and caricature, captured an allegorical truth. In 1959 these sentiments were indeed preludes to a watershed in literary culture. The discipline of writing and the study of literary traditions — the brooding consideration of image and sound and reference — were displaced by ideas of theater and performance, freedom and self-expression. These ideas have survived in the more populist varieties of recitation. But others now play the liberationist roles better than poets. It is no accident that the "Postino" CD features readings by movie stars and rock stars.

So the poet is left in a peculiar position. The old role of statesman and seer has become outmoded; the new role of rebel has become superfluous. The public image of the poet then is more ambiguous. This was even true in "Il Postino." Neruda, like Mr. Williams's character, is a personal and political liberator.

But the film adds an element of irony. Unlike the original novel, "Burning Patience," by Antonio Skarmeta, which is set in Chile and ends with the postman's arrest by the military junta following the assassination of President Salvador Allende Gossens, the movie is set in Italy and makes the postman's Neruda-inspired conversion to Communism seem much more tragic. Neruda himself seems careless about the effect he has upon the postman, even a bit frivolous in his attentions. The film loves language but also raises doubts about its impact; it celebrates the poet as an imposing figure but also worries over his influence.

So the romance of the Dead Poets Society is replaced with something a bit more frail and human — which may, in the long run, be helpful. Rebellious heroes and liberationist doctrines have become the stuff of pop culture and prattling verse. Mr. Brodsky may have had it right: his public role was just to tend to his craft.

Others agree. In the midst of all those multiplying workshops and well-advertised readings are readers and writers engaged in difficult, solitary pursuits, at the margins of American culture, waiting for signs of an early spring.

Right to Die

Life After Quinlan

By JEFF STRYKER

TWENTY years ago today, the New Jersey Supreme Court issued its landmark 7-0 ruling in the case of Karen Ann Quinlan. The court found that the constitutional right of privacy was broad enough to encompass a person's decision to forgo life-sustaining medical treatment in certain circumstances. It also said Joseph Quinlan, her father, could make the decision on her behalf.

For the Quinlans, the court's ruling was a step in a painful odyssey that began on April 14, 1975, the day Karen Ann Quinlan inadvertently ended her sentient life by consuming a combination of Valium and gin. For the nation, it was the beginning of the right-to-die movement.

Away From Home

As recently as the 1950's, more than half of American deaths took place in the home. Today, 80 percent of the roughly two million American deaths a year take place in a health care institution, with doctors controlling the manner and timing of death. Improvements in medical technology now not only extend life, they also prolong dying. And they can maintain the bodies of people who are permanently unconscious.

There are now 5,000 to 10,000 permanently unconscious people in this country. The longest coma on record is that of Elaine Esposito, who died in 1978 after spending 37 years and 111 days unconscious following an appendectomy at the age of six.

But the most famous case is still Karen Ann Quinlan. Once the court had ruled that she could be disconnected from the respirator, six weeks passed before the doctors unplugged it. Then Ms. Quinlan confounded the experts by breathing on her own for nine more years, without regaining consciousness.

In the last third of her life, she bore little resemblance to the young woman pictured in her high school

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yearbook — the picture that became an icon of the right-to-die movement. Her weight dropped to 65 pounds, her body curled into a fetal position and her eyes wandered at random. She died on June 11, 1985.

Since then, a number of bizarre cases have drawn national attention to people whose bodies are maintained by machines but whose minds have disappeared. Most recently, a 29-year-old woman who had been comatose for 10 years and was raped at the nursing home where she lived in Brighton, N.Y., gave birth on March 18 to a healthy baby boy.

Before that, there was Gary Dockery, the Tennessee police officer who woke up on Feb. 12, some seven years after being shot in the head. His awakening was not as miraculous as it originally sounded. He had been in a "locked in" state — at times aware and able to communicate by blinking.

Such cases have raised questions about the role of medicine in the twilight between life and death, and have given a concrete meaning to an abstract question: "Where is their life?"

This question was raised by Alu Auersperg, both of whose parents became permanently comatose. Her father slipped into a coma after a car accident and died 10 years later; her mother, Sunny von Bulow, lapsed into unconsciousness in 1981 after an overdose of insulin and is taken care of at Columbia Presbyterian Hospital in Manhattan.

This ill-defined region between life and death is now a hotly contested area. Some are arguing that death should be redefined to include people who have lost the higher brain functions that permit thought but retain brain stem functions that permit breathing and swallowing.

The Indignities

Others are fighting to allow people who are merely severely brain damaged to die. In 1987 Michael Martin was paralyzed and brain damaged by a car accident. His wife, Mary, is seeking permission to remove his feeding tube, saying he would not have wanted to suffer his situation



Karen Ann Quinlan, 1975

(including being dressed up as an M&M for Halloween). But the Michigan Supreme Court ruled that the tube should not be removed. And last month the United States Supreme Court declined to hear an appeal.

For some, the Quinlan case was a high water mark in the right-to-die debate. For others, it is a precipice below which there is a giant slippery slope leading to out-and-out murder.

Recently, much of the debate has shifted from the issue of whether treatment should be withdrawn from the permanently unconscious to the issue of whether active measures should ever be taken to end the lives of the terminally ill. (Dr. Jack Kevorkian's physician-assisted suicides are the best-known cases.)

Still, the courts are grappling with the rights, status, proper treatment of the permanently unconscious. And health care analysts are toting up the cost of keeping them alive. A 1994 New England Journal of Medicine report estimated the costs of caring for the thousands of permanently unconscious people at between \$1 billion and \$7 billion annually.

The human costs are even more devastating. Could any parent not see what compelled the Quinlans to make the 37-mile drive to visit their comatose daughter thousands of times, or understand their practice of leaving a radio on in her room?

Karen Ann Quinlan's legacy is evident in two decades of court cases involving the withdrawal of life-sustaining treatment. She still provides a touchstone for the families whose own dilemmas about dying have plucked them from obscurity and landed them in the public spotlight.

Thoroughly Modern Scare: The Logic of 'Mad Cow'

Continued from page 1

announcement of a suspected link between a fatal brain disease in cattle, bovine spongiform encephalopathy, or B.S.E., and a similar one in humans, Creutzfeldt-Jakob disease. Scientists tracking the disease had turned up 10 cases of a new variant that uncharacteristically afflicted young people.

The story was not new: for six years there had been speculation about a link between the two. The story of mad cow disease was an on-again, off-again staple of the tabloids. But the problem was always on the periphery. The Government denied the link, and many disregarded the reports as they dug into the traditional Sunday "joint," or roast.

Not so this time. Sales of beef plummeted 70 percent, cattle markets were deserted and the European Union imposed a ban on its export worldwide. Mr. Major blamed "hysteria" and said it was whipped up by the press and opposition politicians.

But truth was, there was old hysteria loose in the land. What there was was deep concern, a calculated decision to stop eating beef until the situation clarified, and a sudden, total lack of confidence in what the Government or its scientific experts were saying. The suspicions that had been building up for six years suddenly reached a critical mass and the result was a spontaneous boycott. Hamburger chains stopped serving British beef not because it was deemed unsafe but because people refused to eat it.

On a practical level, there was some reason for skepticism. The Government said beef products currently on the market were risk-free because a 1989 law forced slaughterhouses to dispose of the bovine offal — brains, spine and related parts — thought to carry the infection. But people know that laws are one thing and obeying them another. Surprise random inspections in September showed that half of the slaughterhouses were in violation of the regulations.

Keeping Secrets

The problem began, many believe, when feed containing infected sheep remains was fed to cattle as a protein supplement; farmers were supposed to dispose of the infected feed, but some of them undoubtedly used up their remaining stock. Up until 1990 the Government paid a farmer only 50 percent compensation for a cow afflicted with B.S.E., so there was an incentive for farmers to keep the disease hidden. Last week a farmer went on trial in Dunster for 34 offenses of altering declarations that claimed — falsely — that his herd was free of B.S.E.

The Government's denials were not believed in part because many feel that its machinery of enforcement was not up to the job. The general lack of confidence in what Government officials were saying applied as well to what its inspectors and enforcers were doing. Scientific advisers were asked to quantify the risks of eating beef, or coming down with the

disease from having eaten beef before 1989, and they were stumped. How were they to know if the 10 cases represented a blip from an unusual and minor disease strain or the beginnings of a massive epidemic? Some stammered inarticulately — which was itself taken as a sign of covering up — and others blurted out nightmare scenarios.

Few understood that when it comes to safety in food, the perception of risk is not mathematical. It's psychological. One young man who gave up beef explained his decision this way: "They say the risk of getting the disease is one in a million or about the same as winning the lottery. And that may be true. But every week I play the lottery."

A psychologist in a London suburb, who served American guests last Sunday instead of the traditional roast, said she thought the beef crisis crystallized "all our fears about what goes into food, about hormones and chemicals and genetically engineered

The British were gripped not by hysteria, but by a crisis of confidence.

tomatoes and all the other things in the environment that we can't control."

In other words, runaway science itself was on trial. It was undoubtedly a coincidence in timing, but only two weeks before the scare over mad cow disease, which is thought to have originated in the centuries-old disease in sheep called scrapie, the front pages of newspapers carried photographs of two identical sheep. They were clones produced from a laboratory-grown cell, and occasioned a certain amount of clucking about the abominations "that man is perpetrating upon nature."

With public faith shattered, the British Government's response to the crisis — adopting a partial ban on the sale of beef from older cattle — may not be dramatic enough to restore consumer confidence. Without it, British beef, and so Britain itself, is laid low.

As the Times editorial put it: "Other nations have had their metaphorical mascots in nature threatened. America has seen the bison leave the prairies, giant redwoods felled and the bald eagle face extinction. The Russians have seen the sturgeon, whose eggs proclaimed imperial greatness as assuredly as Mt. Everest's succumb to pollution. The French saw the vines which furnished their finest product blighted forever by phylloxera, and the Irish search for self-sufficiency has always been more urgently sought and more poignantly elusive since the potato famine."

"But none of these nations has suffered a blow so precipitately, to its esteem as Britain this week."

ECONOMY

America's No. 1 Vendor of Playthings Plots a Comeback

By JENNIFER STEINHAUER

STANDING on the top floor of the Toys "R" Us store in Santa Monica, Calif., far above the endless racks of Monopoly games, Barbie dolls and coloring books, Diane Summers Craig was very much alone. "Hello? Hello? Is anyone here?" Ms. Craig called out as she perused a deserted aisle of computer software.

At last, a clerk wandered over to help her, but acknowledged that she did not really know the differences among the computer programs for sale. The clerk added with a polite smile, "Someone will be here in a minute to help you." Frustrated, Ms. Craig mumbled something about not having a minute, but waited for several of them anyway.

Another clerk came, but help was not forthcoming. "No one here really knows anything," huffed the mother of two young children before turning on her heel and leaving.

Wall Street has known for quite a while that the world's largest toy retailer is troubled. After 16 consecutive years of uninterrupted growth, the company's earnings took a 72 percent nose dive in the fiscal year that ended on Feb. 2, to \$148 million, largely due to a hefty restructuring charge.

Further, in a bull market in which the Standard & Poor's 500-stock index has risen more than 40 percent since the beginning of 1995, the stock price of Toys "R" Us has declined about 11 percent. Company shares, which went for \$42.875 at the end of 1993, stagnated in the \$20's for most of 1995, and closed Friday on the New York Stock Exchange at \$27, down 25 cents. Add it up, and the company has lost a staggering \$5.2 billion in market value, weighing in at \$7.5 billion from a pinnacle of \$12.7 billion.

Michael Goldstein, the chief executive of Toys "R" Us, has big plans to stem the

bleeding. But he is caught in the classic quandary of the turnaround artist: if he spends too much on revamping his stores, he could wreck his already shaky profit margins; if he spends too little, his efforts may come to naught.

The company's fall from grace didn't happen overnight. In 1990, retail analysts treated Toys "R" Us as almost sacrosanct, projecting earnings growth of 25 percent a year.

Yet the company has come close to that target only once in the last six years—and then only after two lachrymose ones.

Analysts give a variety of reasons for the reversal of fortune at Toys "R" Us, which just over a decade ago was rolling over its competition like a Tonka truck lumbering down a grassy suburban hillside.

They speak of discount stores like Wal-Mart and Target ratcheting up the competitive pressure; of a dearth of creative new toys; of the fading popularity of the Power Ranger action figures, which accounted for huge sales the previous year.

But it is perhaps these retail analysts with children, the ones who have made a Saturday afternoon venture into that dizzying landscape of bikes, bath toys and a ubiquitous giraffe named Jeffrey, who know what parents indifferent to issues of market cap have known for years: while Toys "R" Us has what they're looking for, getting it can come at a cost to their sanity.

"I don't know a single retailer about which I hear as many complaints as Toys "R" Us," said Barry Bryant, an analyst at Rodman & Renshaw and the father of a 3-year-old son. "You never know where anything is, and there is no one to help. And to make matters worse, children are enticed in there as if they were walking through one long candy store. All of these things combine to create a uniquely unpleasant shopping experience for the parent."

The supermarket style of selling playthings has always been the Toys "R" Us

trademark. Shoppers squeeze through charmless, colorless aisles, and pick through rows of crayons, doll houses, video games and action figures, strung together like so many sausages, displayed often without care or accessibility.

Merchandise is often piled so high it is impossible to reach, particularly while holding a wailing 3-year-old whose eyes are wildly fixated on Mr. Potato Head.

And if a sales clerk can be unearched, chances are his or her job is to stock, not to serve. "I usually feel like I am getting a price break and a lot of selection," said Cindy Reed, a program administrator in Louisville, Ky. "But I don't look forward to going in there, seeing all these families fighting over toys. People are tired, parents seem annoyed—that is why I don't take my son there."

By offering a giant selection with very low prices and plenty of inventory, Toys "R" Us has been able to get away with this on-frills, service-short shopping experience, and to do so in a way that has made shoppers all around the country abandon the competition, if begrudgingly.

But times are changing in the world of fun and games, and parents have grown increasingly inattentive to the lack of attention and the chaotic arrangements at Toys "R" Us, especially when they can find some of the goods for the same price, or better, at general discount stores.

Further, a growing number of so-called educational toy stores have cropped up, offering soothing worlds of purple carpeting and television screens to plop children in front of while mom and dad shop. And nibbling away on the baby end of the business is Baby Superstores, a 63-store chain based in Duncan, S.C.

Toys "R" Us has caught on to all of this, and is finally fighting back with new store formats, including one with the sole mission of challenging Baby Superstores. But can the giant that built its war chest through pre-emptive strikes do as well playing catch-up?

When asked about his company's earnings trouble during a recent interview in his office in Paramus, N.J., Mr. Goldstein looked a bit like a basketball coach who just watched his team get pummeled in a playoff.

"It hurt," he said of the recent profit plunge. "Particularly for a company like ours that never experienced a decline in earnings. It was a rude awakening."

Then the coach recovers and plays to the fans. "But it energized us to do a better job," he said, smiling. "We see a lot of options in 1996."

Toys "R" Us has enjoyed a glittering history. The country's first category killer—industry argot for giant warehouse-style stores that offer the most of one type of merchandise—it toppled Child World, Kidz City Toys and countless regional stores during the 1980's. It now easily dominates the market, with more than \$9 billion in annual sales and 650 stores in the United States.

Even after the company's expansion slowed in the early 90's, the prospect of overseas growth kept investors' hopes alive. Several analysts remember conference calls in 1993 in which Toys "R" Us executives promised gains of as much as 50 percent in the company's international business. But many of the stores have failed to deliver. "We gave projections, and we didn't meet them," Mr. Goldstein said.

Each foreign market threw its own curveball at Toys "R" Us: a sluggish economy in Germany, a Christmas strike in France and strong local competition in Australia. But while those forces were beyond its control, the company also made some strategic missteps, like choosing poor locations, and falling in negotiate prices on merchandise and real estate.

With its fortunes sagging at home and abroad last year, the retailer desperately needed a hot Christmas. Instead, it got slammed when no new video or toy products arose to rival the phenomenal success the previous year of the Power Ranger action figures and the spinoffs from the Disney hit movie "The Lion King." Worse, discount stores slashed prices, forcing everyone to sell toys at a loss.

After the disappointing holiday season, Toys "R" Us announced that it would take an after-tax restructuring charge of \$270 million, equivalent to \$397 million pretax, to close 22 stores in the United States and Europe and to consolidate distribution and administrative offices. Company officials acknowledge that the charge includes other sundry expenses, like inventory write-downs. While the restructuring announcement caused them embarrassment, the charge makes it much easier for the company to achieve its fiscal 1997 earnings targets.

A disclosure in January that the Federal Trade Commission had targeted Toys "R" Us in an antitrust investigation only made matters worse. The inquiry stemmed from

A Not-So-Hot Toy Story



Retailers of toys and children's apparel

Friday's closing price **\$27.00**

52-week trading range **\$20.50-\$29.50**

Market capitalization **\$7.4 billion**

Sales, year ended 2/3/96 **\$9.4 billion**

Earnings, after \$270 million restructuring charge **\$148.1 million \$36/share**

Last year's earnings **\$531.8 million \$1.85/share**

Debt to capital **25.5%**

	TOYS "R" US	S & P 500
Price to earnings (estimated 1996 earnings)	15	15.4
Price to book	2.2	3.9
Dividend yield	0%	2.2%

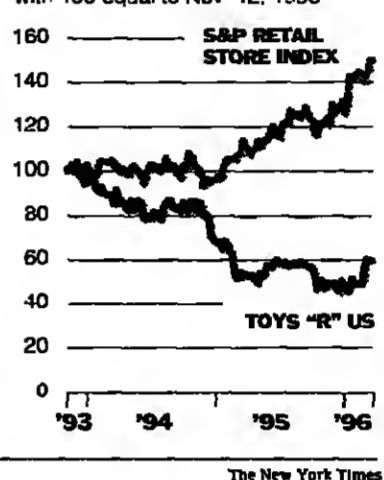
THINGS TO WATCH

Domestic market getting saturated, and discounters are keeping up pressure on prices.

1995 restructuring charge should give company running start for 1996. Beyond that, company will need to ramp up capital expenditures to reiate market, but that could put heavy pressure on earnings.

FALLING BEHIND

A comparison of Toys "R" Us and the Standard & Poor's retail store index, with 100 equal to Nov. 12, 1993



complaints by wholesale clubs that the big retailer unfairly used its marketing power to discourage manufacturers from selling popular toys to them.

Mr. Goldstein neither confirmed nor denied the accusations.

Most analysts scoff at the investigation as a Washington sideshow, but antitrust lawyers are less dismissive. "It is quite serious," said Richard M. Steuer, a partner at the law firm of Kaye, Scholer, Fierman, Hays & Handler in New York. "There are few categories where you have a retailer with as much power as Toys is perceived to have, so however it comes out is likely to set a precedent for other categories."

The F.T.C. is expected to conclude the investigation within a month.

But Toys "R" Us has even larger themes to wrestle with. Like many retailers that enjoyed boom days a decade ago, it must find new ways to lure in 1990's shoppers who have become accustomed to price wars and their spoils, and who are eager for fresh concepts and new merchandise. In the 80's, all a retailer had to be was big and omnipresent. Now, it really needs to be clever.

This has sent the entire industry to the analyst's couch: Every retailer wants to know what it has done wrong, and how it can be better, more self-aware and more of a participant in its relationships with shoppers. But seducing new shoppers does not come by tweaking existing concepts—it comes from reinventing them. This is the challenge for Toys "R" Us.

To fend off interlopers and make its stores more inviting, Toys "R" Us is fighting back in three ways. First, it plans to roll out new stores known as Concept 2000, in both new locations and existing sites. These stores will be an aesthetic antidote to the current spaces, which have the charm of a tenement basement.

The 45,000-square-foot stores will have wider aisles and lower racks, so shoppers can see where things are and reach the merchandise. Each store will have a skylight. Colored tiles will replace the current gray floors, and fixtures will be festooned with colorful toyland icons. Employees who assemble bikes will do so in an open space, Santa's workshop style, in the back of the store. The first of 16 Concept 2000 stores will go up in Raritan, N.J., this year.

Then there's Babies "R" Us, a superstore devoted to the needs of the under-5 set. There will be furniture, clothing, diapers and formula, complete room models in the back and the all-important baby registry. Eight to 10 of these stores will pop up in 1996, the first in Westbury, L.I.

Plan C brings together various ideas. In 1996, the company will put up two yet-to-be-named megastores: 90,000 square feet of toys and baby offerings that marry all of the stores' concepts, including Kids "R" Us, under one roof. All Toys "R" Us stores are meant to have better customer service.

In the front of the giant marts, there will be a food vendor, most likely a McDonald's; a party room; a haircut salon, and a photo studio, all leased to franchisees. Elsewhere, there will be entertainment centers, breastfeeding rooms and a "castle" containing little girls' fitting rooms smack next to traditional girls' toys, intended to encourage

cross-shopping.

"This is a big change from what we have been doing," said Mr. Goldstein, standing next to a table in a conference room. "We think it is going to be great for us."

As Mr. Goldstein tells it, the fix he has in mind doesn't have to tie up a lot of cash and wreck margins. But much as he would like, he can't have it both ways. If the roll-out is so guarded and snail-like, how much good can it really do and how long will it take?

"It is quite expensive," Mr. Goldstein said, looking into the model of the Concept 2000. "We would like to remodel all of our stores this way, but it depends on sales increases."

He declined to say exactly how much this will cost, but analysts estimate that the company's capital expenditure budget in the current fiscal year will run in the neighborhood of \$650 million, well over the \$356 million the company spent last year.

How much the company ultimately spends on the overhaul "is absolutely material," said Peter Kupperberg, a portfolio manager at Gofen & Gossberg in Chicago, whose firm has slowly unloaded much of its holdings in the stock. "If they can't stick to their numbers, that will only push margins further."

At \$27 a share, or 15 times next year's estimated earnings, about equal to what the overall market fetches, Toys "R" Us stock is not worth buying unless the company's management can keep sales growing at about 11 percent a year—and fatten net margins back over 5 percent, more than triple last year's dismal performance. This will be no easy trick if the company is also paying for expensive make-overs.

Many investors think that Toys "R" Us has gone about as far as it can in the United States, where it has captured about 23 percent of the \$23 billion toy-and-video market.

In their view, it will need strong international growth to push earnings growth.

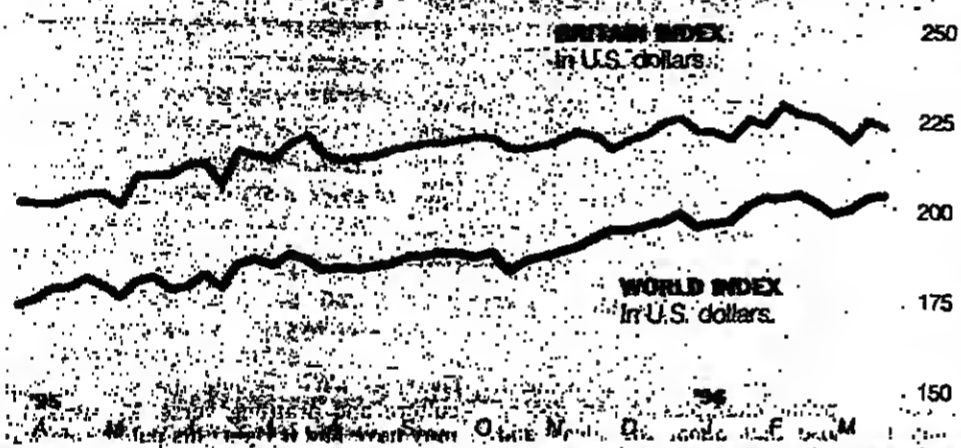
"They can put up these new stores, but they are pretty saturated," said Greg Jackson, a portfolio manager at Yacktman Asset Management in Chicago, which has invested about \$1.3 million in Toys "R" Us. "The tremendous growth potential is international growth, particularly in Japan."

He said Toys "R" Us did not have a Kmart or a Wal-Mart in do in it overseas, what they did to it here. The company has 37 stores in Japan and will add 14 more this year, putting it in a dominant position in that market, too.

Another drag on domestic growth could be shopper inertia. "The perception of bad customer service at Toys was built up over many years and I think even at places where you've seen improvement, shoppers may not see it right away," said Sean P. McGowan, a retail analyst at Gerard Klauer Mattison.

Mr. Jackson said he was looking for the shares to increase by about \$8 to about \$35 over the next 18 months as the company's earnings growth rebounds. "If you compare it historically, this stock is extremely cheap," he said. "But we are looking at slower growth rates for the future."

WORLD STOCK MARKETS



Prepared by Goldman, Sachs & Co. using data derived from the Financial Times/Standard & Poor's Acquisitions World Index, a measure of stock market performance. The FT indices are compiled jointly by The Financial Times Limited, Goldman, Sachs & Co. and Standard & Poor's, in conjunction with the Institute of Actuaries and Faculty of Actuaries.

Country	PERFORMANCE IN U.S. DOLLARS					IN LOCAL CURRENCY	
	Index	% Chg.	Rank	For the year: % Chg.	Rank	Index	Year to date % Change
Australia	199.45	-0.0	10	5.0	13	4.10	-0.2
Austria	182.58	-0.4	14	4.6	16	1.55	7.8
Belgium	204.91	-0.8	19	-2.0	24	4.07	1.0
Brazil	153.90	-1.9	25	11.8	3	1.57	13.4
Britain	228.92	-0.7	16	-0.7	23	4.11	1.0
Canada	156.44	0.2	9	5.4	11	2.44	5.3
Denmark	296.74	1.4	5	2.8	19	1.81	5.7
Finland	180.90	-2.7	26	-3.3	26	2.80	3.2
France	194.53	3.9	1	8.5	6	3.10	11.7
Germany	173.06	-0.8	17	5.7	10	1.96	9.1
Hong Kong	432.18	-0.3	13	11.5	4	3.24	11.5
Ireland	265.40	2.1	4	3.9	18	3.41	5.7
Italy	72.17	-1.1	20	-2.1	25	2.14	-3.1
Japan	154.61	-3.1	2	-0.2	22	0.73	3.3
Malaysia	563.30	0.4	8	14.1	2	1.61	13.6
Mexico	1,199.32	2.1	3	15.8	1	1.41	13.3
Netherlands	287.17	0.8	7	5.3	12	3.21	8.5
New Zealand	83.44	-1.4	22	4.8	15	4.23	0.6
Norway	236.50	-1.1	21	2.3	20	2.42	3.8
Singapore	440.83	-0.5	15	8.3	7	1.40	7.7
South Africa	386.46	-0.3	12	0.3	21	2.51	9.4
Spain	171.81	1.2	6	4.0	17	3.40	6.4
Sweden	343.64	-1.8	24	10.1	5	2.44	11.0
Switzerland	250.26	-0.1	11	6.0	9	1.54	9.7
Thailand	178.85	-1.7	23	6.3	8	1.88	6.5
United States	283.53	-0.8	18	4.9	14	2.19	4.9

Region	COMPOSITE INDICES		
	Index	% Chg.	Rank
Europe	207.12	0.1	3.1
Pacific Basin	187.72	2.5	1.5
Europe/Pacific	184.03	1.3	2.3
World	209.27	0.4	3.5

Source: Goldman Sachs & Co. Exchange rates as of Friday's London close. © 1996 The Financial Times Ltd., Goldman, Sachs & Co. and Standard & Poor's.

CURRENCIES

Exchange rate	This Friday	Prior Friday	% Change	Year ago
Japanese yen to the U.S. dollar	107.22	106.86	+0.34	86.55
German marks to the U.S. dollar	1.4785	1.4761	+0.03	1.3720
Canadian dollars to the U.S. dollar	1.3583	1.3627	-0.25	1.3990
U.S. dollars to the British pound	1.5262	1.5350	-0.57	1.6215

Source: Bloomberg Financial Markets; exchange rates as of Friday's New York close.

UPS AND DOWNS

March 25-29: Stocks Slide on End-of-Quarter Window Dressing

PRICES

DOMESTIC EQUITIES	
Broad market S & P 500 index	Down 0.79% 645.50
Blue chips Dow 30 industrials	Down 0.88% 5,587.14
Small capitalization Russell 2000 index	Up 0.39% 330.77

DOMESTIC BONDS

Treasuries Ryan Labs. Total Return	Down 0.05% 186.36
Municipals Bond Buyer index	Up 0.17% 114.44
Corporates Merrill Lynch Master Index	Up 0.03% 799.13

AROUND THE WORLD

European stocks F.T.-Actuaries Europe	Up 0.05% 207.12
Asian stocks F.T.-Actuaries Pacific Basin	Up 2.46% 167.72
Gold New York cash price	Down 0.78% \$395.80

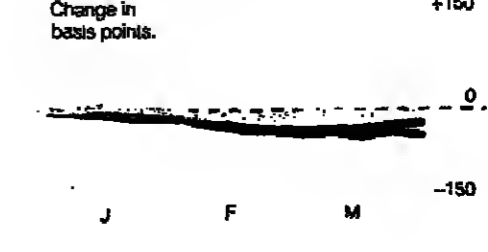
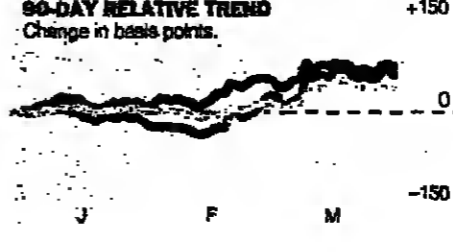
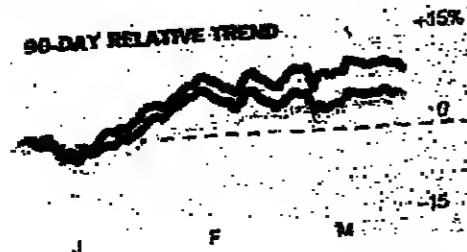
Foreign indices are shown in dollar terms

YIELDS

Long bonds 30-year Treasuries	6.67% Up 3 basis pts.
Short bonds 2-year Treasuries	5.74% Down 1 basis pt.
Municipals Bond Buyer index	5.96% Up 1 basis pt.

OTHER INVESTMENTS

Money market funds	4.74%
Taxable average	Down 5 basis pts.
Bank C.D.'s 1-year small savers	4.74%
Stocks S. & P. 500 dividend yield	2.22%
Up 1 b.p.	



Sources: Bank Rate Monitor, Bloomberg Financial Markets, The Bond Buyer, Datastream; Goldman, Sachs; IBC's Money Fund Report; Merrill Lynch; Standard & Poor's; Ryan Labs

The New York Times

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Russia's Imperial Aspirations

The latest unwelcome detour in Russia's transition from Communism to democracy is serious talk in Moscow of reconstituting the Soviet Union or some variation of it. It is alarming to find this idea back in vogue so soon after the repressive Soviet empire was broken up. Responsible political leaders in Russia must strongly oppose the notion that the Kremlin might someday seek to reassert control over its neighbors.

For now, the possibility of a new imperial Russia seems extremely remote. Moscow is preoccupied with domestic problems. It lacks the wealth and military power to reclaim the former territories of the Soviet Union, most of which fiercely prize their newly won independence. The once feared Russian Army is a gutted, demoralized force that in 15 months of fighting has been unable to subdue even the irregulars of Chechnya.

Over the next few years, Russia may develop benign forms of voluntary economic and political union with several of the newly independent states on its border. On Friday, Russia, Kazakhstan, Kyrgyzstan and Belarus signed an agreement to form a common market. The Slavic peoples of Russia, Belarus and Ukraine share cultural, religious and linguistic connections that draw them together even as distinct national identities pull them apart.

Belarus and Russia were already moving toward closer ties and previously announced plans to form a political union of sorts. Both countries may profit if the partnership is balanced and they cooperate in dealing with common economic and environmental problems.

Yet even this relationship has obvious disadvantages for both Moscow and Minsk. With its unsteady economy, the last thing Russia needs is the burden of supporting Belarus's failing industrial base. After decades under Soviet rule, Belarus knows it must guard against partnership with a country accustomed to dictating terms to its smaller neighbors.

But over the longer term, especially if a Communist or nationalist is elected president of Russia,

the threat of Russian territorial expansion cannot be utterly dismissed.

The loss of empire and superpower status rankles many Russians. Several presidential candidates, including Gennadi Zyuganov, the Communist leader, have preyed on the resentment with vague promises to restore Moscow's dominion. The parliament, dominated by Communists and nationalists, recently approved a non-binding resolution disavowing the 1991 treaty that dissolved the Soviet Union.

Imperial aspirations are fueled by a widespread view that Moscow must do something to protect the interests of the 30 million ethnic Russians who remained behind in the former Soviet republics when the union collapsed in 1991. Almost overnight, Russians in places like Lithuania, Estonia and Uzbekistan went from a privileged, protected elite to a scorned minority.

There are more than a few Russians on the political fringe, mostly unrepentant Communists and extreme nationalists, who believe that the collapse of the Soviet Union was engineered by the Central Intelligence Agency and other Western spy services to open Russia's natural resources to outside exploitation. For them, Russian hegemony is a birthright that must be restored.

Boris Yeltsin is navigating cautiously through these rapids as he campaigns for re-election as president. His endorsement of the proposed union between Russia and Belarus and Friday's common market agreement were clearly designed to convince voters that he can expand Russia's influence. His quick denunciation of the parliamentary resolution rejecting the dissolution of the Soviet Union shows he knows there are limits.

While his equivocal approach may seem politically shrewd, Mr. Yeltsin would do his countrymen a favor if he addressed the issue squarely and made plain to everyone that Russia undermines its own interests by harboring territorial ambitions. Mr. Zyuganov, for his part, should recognize that any claim he makes to responsible leadership is discredited by his manipulation of this issue. There is no place for a new empire in Russia's future.

Mr. Starr's Conflicts

As a practical matter, the work of Kenneth Starr, the independent counsel investigating Whitewater, is too far along to start over. That means it is essential for Mr. Starr to take steps to clear up the conflicts of interest that are hanging over his investigation. Such steps are especially important since Mr. Starr has said he will make some public comment on his investigations before the election. The public has a lot riding on the quality of Mr. Starr's legal work, and he will fail in his public responsibility by clinging to the narrow reading of conflict-of-interest rules that has allowed him to split his time between his public duties and work at his law firm.

Mr. Starr's appearance problems began with the court appointment itself in August 1994. One appointing judge, David Sentelle, had lunched with two of the President's chief senatorial critics, Mr. Starr, a former judge and Solicitor General, had done legal work for a conservative women's organization involved in a lawsuit against President Clinton. At the time we called for Mr. Starr to resign because we did not want the search for the truth about Whitewater to go forward under a partisan cloud.

Mr. Starr stayed on, and instead of distancing himself from his \$1 million-a-year law practice, he has continued to dabble in big, politically flavored cases at a time when his public responsibility should be his sole priority.

He represented a conservative foundation with an anti-Clinton record in a school-voucher case before the Wisconsin Supreme Court. He represented major tobacco companies against government demands for their records. Theo he refused to

disqualify himself from decisions involving the Resolution Trust Corporation, an important agency in Whitewater matters, after being notified that the R.T.C. had sued his firm, Kirkland & Ellis.

The law firm eventually paid a settlement of \$325,000 in response to the R.T.C.'s charge that it had provided negligent representation to a failed savings and loan association. Mr. Starr was not involved in the negotiations and did not know about the suit at the time he was appointed as Whitewater counsel. Mr. Starr's ethics counsel, Sam Dash, the former Watergate Committee lawyer, says there is no need for Mr. Starr to distance himself from aspects of Whitewater involving the R.T.C. even though the agency accused his law firm of professional misconduct and he held a partner's interest in the firm's finances and reputation.

We disagree. Once Mr. Starr shouldered a case of this importance to the political process and, in this election year, to the voters' deliberations, he assumed an obligation to avoid any possible appearance of conflict and to devote his full energies to the case. Instead, he is spreading himself ever thinner. Witness last week's report that he has become a lawyer for one faction in the dispute involving the Haft family's Washington drugstore chain.

It would be foolish to start the case over, but it is not too late for Mr. Starr to assure the public of his full-time eorery and his fairness. He needs to turn over all R.T.C. related matters to a senior deputy prosecutor, and he should take leave from his firm and all its cases until his Whitewater duties are over. The case demands a prosecutor who is even-handed and unencumbered.

medical community ... The bill does include one exemption for doctors, co-sponsored in the Senate by the majority leader, Bob Dole. The penalties would not apply if the procedure was necessary to save a mother whose life was endangered by a physical disorder, illness or injury. But opponents of the bill argue that this exception is too narrow, ignoring, for example, cases in which the mother's life is threatened by the pregnancy itself.

Further, the exception may not satisfy the requirements of Roe v. Wade, which articulated the constitutional right to abortion. Roe and subsequent decisions recognized the state's interest in imposing some restrictions during the second and third trimesters, but those decisions did not try to dictate the methods that could be used. They also said that while the state could prohibit abortions after the fetus became viable, exceptions must be allowed to preserve the mother's life or health.

In a letter to Congress a month ago, Mr. Clinton urged that the exception be expanded to allow performance of the procedure if, in a doctor's judgment, it was necessary to "avert serious health consequences" for a woman. Congress clung to its original position, giving Mr. Dole and the anti-abortion forces an issue they hope to use against Mr. Clinton this fall. Mr. Clinton can help himself among the millions who believe in choice if he sticks to his principles.

Abortion Politics

In a move that seems as much a matter of politics as principle, Congress has voted to outlaw a particular type of late-term abortion method and impose criminal penalties on doctors who use it. Last week's vote in the House sends the bill to President Clinton, who has threatened a veto. The fact that the abortion issue is always volatile in a Presidential election year should not prevent Mr. Clinton from carrying out his threat.

The procedure to be banned, called a "partial birth" abortion in the bill and by anti-abortion groups, is used only after 20 weeks of gestation. While statistics are hard to come by, the method does not seem to be used often. About 13,000 of the nation's 1.5 million abortions each year are performed after 20 weeks, usually because of special circumstances, such as a threat to the mother's health or severe fetal abnormalities. Only a small percentage of these late abortions employ the outlawed method.

As described in the bill, the procedure is one in which the doctor "partially vaginally delivers a living fetus before killing the fetus and completing the delivery." Doctors found guilty of doing this can be imprisoned for two years and fined up to \$250,000.

But the description of the procedure is so vague that the American College of Obstetricians and Gynecologists, which opposed the bill, said it "employs terminology that is not even recognized in the

Home Health Care Is Workable and Repairable

To the Editor:

The "experts" you cite who urge reduction in Medicaid home care services (front page, March 24) have muddled issues to justify the reductions being made in New York state. Here are some points:

- Transfer-of-asset problems do not justify inadequate care. New York law permits elderly and disabled people to pauperize themselves to qualify for home care services; the law does not make adult children financially responsible for their parents. This may or may not be a "problem"; but if so, the solution is to change these laws, not to reduce Medicaid services.

- Provider overbilling is not equivalent to patient overuse. If there is such overbilling, the solution is to adjust the payments to providers, not to cut services to the needy.

- That New York City provides more personal aide services than elsewhere in the state does not mean that the city is overgenerous. It is equally likely that the rest of the state provides people less care than needed to avoid institutionalization. Indeed, there are higher rates of Medicaid nursing home placements outside the city.

- The high cost of home care does not show that the care is unnecessary. Medicaid provides different levels of home care depending on medical need, and only one level (24-hour-a-day care) is more expensive than nursing home care.

While nursing home care is appropriate for some, it can be a horror for those who are able to remain in their own homes. We must decide if what

we want for those who are old and sick is minimum care to keep them alive or a level that values individual autonomy.

Toby Golick
New York, March 25, 1996
The writer teaches law and aging at the Benjamin N. Cardozo School of Law at Yeshiva University.

To the Editor:

Misuse of services and runaway costs should not detract from the success of New York's home care program (front page, March 24). However, reform is required.

Services that exceed need remain in place because there is no trigger to identify overuse. Discharge planning



Carly Hall

should be adopted as a gatekeeper to prevent misuse of home care services. A plan would be developed for each client specifying the duration of service and requiring re-

ductions in services so that the correct prescription is in place.

Home care can foster an inappropriate dependence. The discharge plan could also require that as a client's health improves, he or she receives services from the outpatient divisions of hospitals or geriatric centers. Such a requirement would encourage older people to leave their apartments on a regular basis, thus reducing the isolation that often leads to deterioration.

JACOB REINGOLD
ROSE DOBROF
Brooklyn, March 27, 1996
The writers are, respectively, vice chairman, Hebrew Home for the Aged, and professor, Brookdale Center on Aging, Hunter College.

To the Editor:

Re your March 24 news article on home health care in New York: Home care provides services to twice as many people as in nursing homes at one-third the cost to Medicaid. Figures comparing costs with other states include home- and community-based services like Meals on Wheels, adult day care and transportation.

The figures also include New York State expenditures for noninstitutional long-term-care services but not Medicare expenditures. Many states listed in your chart do not spend Medicaid money on home care but use Medicare as a substitute, some providing patients with as many as 100 home visits. New York averages 41 visits per Medicare patient.

CAROL A. RODAT
Pres., Home Care Assn., N.Y. State
Albany, March 25, 1996

Minimum-Wage Debate Shows G.O.P. Hypocrisy

To the Editor:

You report (news article, March 27) in how Senator Bob Dole averted an extended debate by Senator Edward M. Kennedy on raising the minimum wage. That was not the first time Mr. Dole used his knowledge of the legislative process to block negotiation of bills he is unwilling to debate. When the minimum-wage issue was raised in the House, Republicans there also took measures to block it.

April 1 marks the five-year anniversary of the last Federal minimum wage increase. According to an NBC News poll, 72 percent of Americans back an increase in the minimum wage.

A minimum-wage earner em-

ployed full-time earns \$8,840 before deductions. The poverty level for a family of two is \$10,030 and for a family of four, \$15,150. Since two-thirds of minimum-wage workers are adults, and 4 in 10 are the sole breadwinners in their families, the minimum wage is not a living wage for a family of more than one.

President Clinton supports raising the minimum wage by 90 cents, to \$5.15 an hour. It's funny how Republicans tout the importance of ending welfare dependency; if they were truly interested in getting poor families off welfare, they would be taking steps to make it possible.
NYDIA M. VELAZQUEZ
Member of Congress, 12th Dist., N.Y.
Washington, March 28, 1996

On Social Security, Proceed With Caution

To the Editor:

Your March 27 editorial on the current enthusiasm for investing Social Security tax revenues in the stock market wisely urges caution. Before we make drastic changes in Social Security, we must have confidence that the expectations of our work force will not be jeopardized and our economy not disrupted.

There are questions to be answered. For example, would the Government undertake to guarantee against market gyrations a level of benefits to enable workers to plan for retirement? Would the Government's borrowing costs rise if the Social Security surplus were not available for that purpose?

How would our economy absorb this new capital? Would it be invested in less risky blue-chip and index stocks, driving up their market power as well as their price (and the compensation of their chief executives)?
SARAH D. GALBRAITH
Washington, March 27, 1996

Deafness, Context and a Charge of Harassment

To the Editor:

Re Maureen Dowd's "Baby-Talk Censure" (column, March 28), on the sexual-harassment complaint made by a Senate staff member against a Senate coffee-shop cashier for calling him "baby":

Ms. Dowd writes that the superiors of the complainant, Christopher Heid, said that he might be "particularly sensitive because he is hearing-impaired."

I am getting my master's degree in deaf education. A cornerstone of my education is never to assume a deaf student's contextual knowledge. It can be assumed that most hearing children have picked up on, say, "Cinderella" along the way, not because they have read the story or seen the movie but because they have heard the story referred to by friends and adults.

Many deaf students do not have access to this incidental learning; what they learn is what they are taught.

Mr. Heid may have encountered "baby" only as an endearment in a bedroom scene in a captioned movie. Ms. Dowd spoke only to his superiors. It would seem pertinent to find out why he himself was so disturbed. And why does his being hearing-impaired make him more "sensitive"?

JENNA FISCHTROM
Madison, Wis., March 28, 1996

What Imus Deserved

To the Editor:

Re "Unexpectedly, the Clintons Are Skewered at a Dinner" (news article, March 23):

The assault by the radio talk-show host Don Imus on national political and media leaders at the Radio-Television Correspondents Association dinner illustrates the depth to which political satire has sunk. Mr. Imus's diatribe was as devoid of genuine humor as it was vicious and insulting.

Did anyone object or walk out? Did anyone threaten to punch Mr. Imus's teeth down his throat? President Clinton just sat there.

Mr. Imus was allowed to say what he thought. But we are also free not to tolerate the intolerable, free not to allow ourselves to be gratuitously assaulted.
DENIS KENNY
White River Jct., Vt., March 24, 1996

CUNY, in Absorbing Budget Cuts, Doesn't Slight Liberal Arts

To the Editor:

"The Twin Crises at CUNY" (editorial, March 27) focuses on the board of trustees' March 26 declaration of financial exigency based on the proposed 1996-97 state budget, the same action taken in 1985. This declaration was brought on by assessment of the impact of a \$97 million shortfall on the senior colleges, and it begins a process of campus consultation on contingency plans.

The declaration was necessary so that faculty and student representatives can participate in deliberations before the spring semester ends. If the proposed cuts are ameliorated by actions in Albany, a reassessment will take place, as in past years. The board and the Chancellor will retain oversight of this process to assure the university's long-term interests.

I am concerned by the charge that the Chancellor and, by implication, the board of trustees, is seeking to limit the liberal arts in favor of technical programs. Of the 132 programs closed or suspended since 1983 as a direct result of fiscal stringencies, only 37—about a quarter—were in liberal arts and sciences.

Since June 1993, 14 new degree

programs were approved in liberal arts and science programs. Only 7 percent of all retrenchments last year were liberal arts faculty, and they were restricted to two academic fields at two colleges.

CUNY is committed to a strong liberal arts core while maintaining support for career-oriented programs.

JAMES P. MURPHY
Chairman, Board of Trustees
City University of New York
New York, March 27, 1996

George E. Paraki's fiscal gimmickry and tax cuts that benefit the rich, retrenchment is inevitable.

But when I started working at Brooklyn College in 1981, 780 professors were serving 15,000 students. Now, fewer than 500 are serving 16,000 students. Is there really a need to dismiss 50 additional professors or even more?

DAVID ARNOW
Brooklyn, March 27, 1996
The writer is a professor of computer science, Brooklyn College, CUNY.

SUNY Hurts, Too

To the Editor:

The budget problems you report for the City University of New York (news article, March 26) are also plaguing the State University of New York system. Without restoration of funds, we at SUNY will have to absorb a \$97 million reduction in state support next year, resulting in the loss of more than 2,000 faculty and professional staff jobs. Many students will be forced to drop out because of reduced tuition assistance.

This shortfall, which is part of the \$3.9 billion deficit projected for next year's state budget, results from the effects of last year's cut in personal income taxes (\$1.4 billion) and the second stage of those reductions, scheduled to go into effect next week (\$2.4 billion). Cancellation of next week's tax cut would solve more than half the current SUNY budget problem.

MICHAEL ZWEIF
Stony Brook, L.I., March 27, 1996
The writer is a professor of economics, SUNY.

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Foreign Affairs

THOMAS L. FRIEDMAN

No Pain, No Gain, No Peace

WASHINGTON
I knew an Israeli colonel who had commanded Israeli troops in both south Lebanon and the West Bank, and I once asked him what was the difference between the two. Well, he said, on the West Bank, because of media and government scrutiny, "you have to explain every little move you make to 10 different people." But in south Lebanon, he said, you could do whatever you wanted. Or as he put it: "In south Lebanon, there is nothing between you and God Almighty. The only question you ask yourself when you are going to blow up someone's house is whether to use 50 kilos of dynamite or 25 kilos."

I was reminded of that conversation when I read about the suicide bomber from Hezbollah, who two weeks ago killed an Israeli officer in south Lebanon. In south Lebanon, the Israeli Army has a completely free hand: it can kick in any door, burst into any Mosque. And yet, despite that freedom of operation, Israeli soldiers continue to die there, because they simply have no answer for suicide bombers. As one Israeli soldier involved in the latest incident explained when asked why he didn't shoot the Lebanese suicide bomber on sight: "We are not trained to shoot people in civilian clothes who are crossing the street."

I raise this point now because Israel's Likud Party leader, Bibi Netanyahu, and some of his tough-talking colleagues like Ariel Sharon, are peddling the argument that if elected they will know how to deal with Palestinian terrorism better than the Labor Government. Nonsense. Israel has not been able to eliminate 100 percent of terrorism from Lebanon, where it has a totally free hand, and the Likud will do no better on the West Bank.

Mr. Netanyahu is vague about his plan, but it seems to go like this: Militarily, he says, Israeli troops will

Bibi's fantasy answer

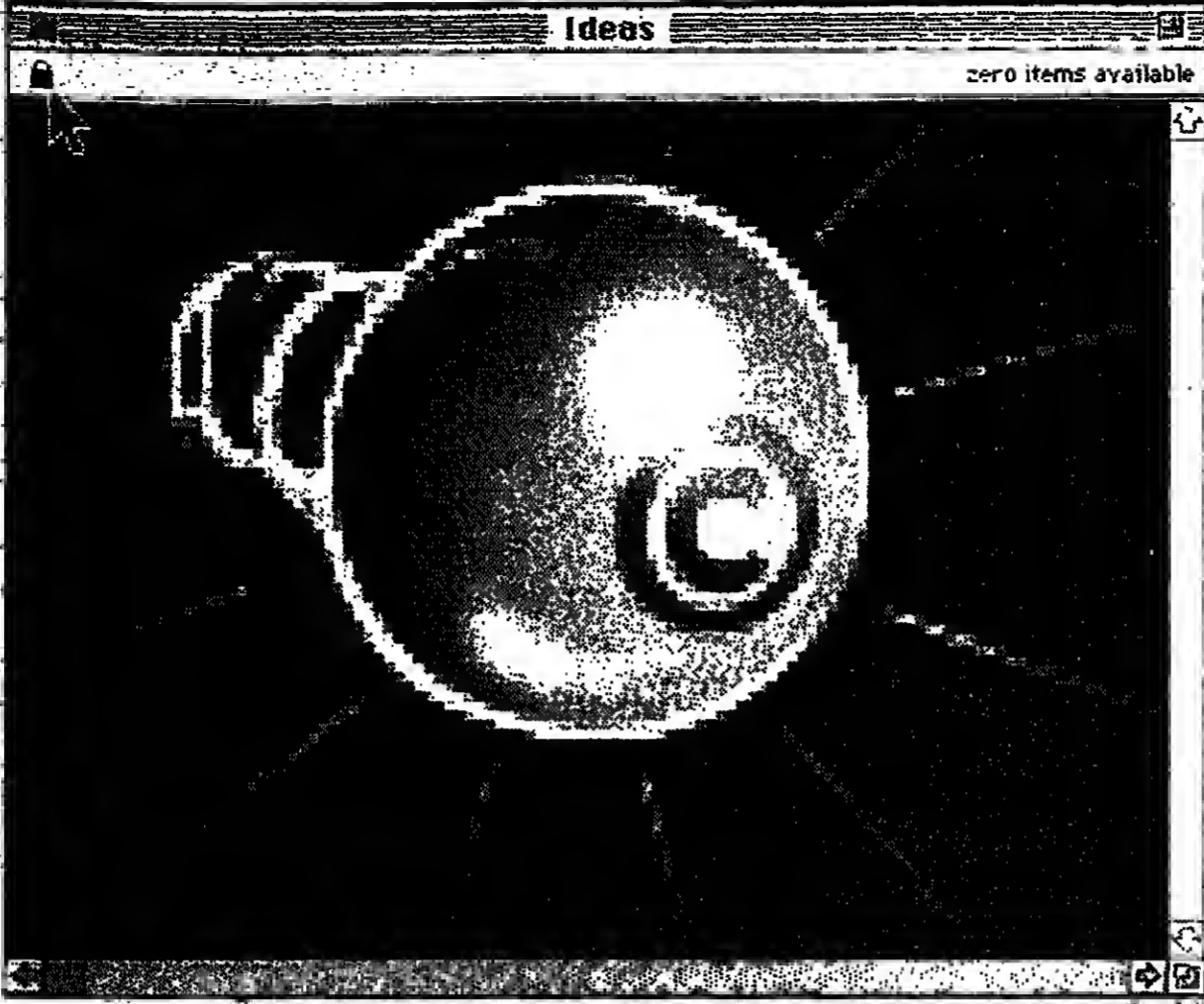
go in, when necessary, and surgically wipe out Palestinian militants already living under Palestinian control. Politically, he says, Israel will freeze the peace process at its present stage and offer the Palestinians permanent autonomy on the West Bank — without the removal of a single Jewish settlement and without Mr. Netanyahu's ever having to meet Yasir Arafat.

That approach is a fatuous illusion. But Mr. Netanyahu knows that Israel's silent majority wants there to be a peace process. He can't just say nothing. So he has come up with this fantasy peace process, for which there will never be any Palestinian partners.

There is only one real peace process and it is the one launched by Yitzhak Rabin, based on Israel's gradually ceding Palestinians control over their own lives and land in return for Palestinians' providing Israel peace and security. It may well be that Mr. Arafat and the Palestinian people are not capable of living up to this deal. That is legitimately in question now. But if that is so, then the peace process is over, and Israelis will have to man the barricades.

I only hope that before Israelis grasp for the fantasy peace process offered by Mr. Netanyahu, or opt for the barricades, they will explore a third option — a better peace process, one that learns from the mistakes of the past year. That is a process that remains committed to the strategic goal of Israeli-Palestinian reconciliation and separation, but moves much more slowly, pays much more attention to Mr. Arafat's leadership weaknesses and seriously holds his feet to the fire on compliance with every peace provision. But it is also a peace process that looks for more ways to help Mr. Arafat overcome his weaknesses, without undercutting his authority, and does more to help Palestinians create jobs in Gaza and on the West Bank.

Listening to the debate in Israel, you can hear that many people don't want to abandon the peace process, because that would mean a future full of yesterdays. But Israelis don't want to be played for fools either. I always believed the real strength of Israeli society has been its ability to survive, and even thrive, amid the violence of life in the Middle East and through all the ups and downs of the peace process. I hope it is that strength Israelis will reach for now — not the fantasy of peace without pain or the despair of no peace at all. This strength to endure was best captured after the latest spate of suicide bombings, when the Israeli Government canceled the Purim holiday celebrations in schools. An Israeli schoolboy asked on Israeli television: "Why did they cancel Purim? These suicide bombings are going to happen, but Purim only comes once a year."



Sold Out

By James Boyle

WASHINGTON
I've got the information age all wrong. Someone who reads today's newspapers would conclude that the four most important aspects of the information age are cyberspace, Windows 95, Newt Gingrich and cyberspace. This is like saying that the most important signposts during the rise of industrial capitalism in America were mass-produced pornographic magazines, Warren Gamaliel Harding and the Veg-O-Matic.

To understand the age we have entered, we need more than a modern Bill of Rights and a subscription to Penthouse on line. We need to figure out how the world changes when information becomes one of the most important forms of value. When copying is free, the pattern of purchases revealed by credit cards, the patterns of your DNA, can become a byte of information, to be bought and sold in the marketplace.

The first effect of this transformation is that intellectual property rights become very important. Around the world, corporations are lobbying their governments, demanding more expansive copyright, patent, trademark and data-base rights. Governments are complying, granting monopolies over information and information products that make the monopolies of the 19th-

How robber barons are buying up the information age.

century robber barons look like penny-ante operations.

Intellectual property rights are being expanded dramatically, sometimes in surprising directions. Even human genetic information has been privatized. The gene that indicates a predisposition to breast cancer, for example — called BRCA1 — has been patented by Myriad Genetics. Harvard University even has a patent (No. 4,736,868) on a mouse — the Oncomouse — a transgenic species engineered to be prone to cancer. But beyond these examples, with their Brave New World overtones, lies a more general trend. We are in the middle of an information land grab and no one seems to have noticed.

There is a reason for this apparent blindness. The information economy is unfamiliar territory. When private parties are allowed to exploit Federal land, we can all work out the politics of the situation. We know the arguments (and the interest groups) for and against. But who wins and who loses when the property at stake is intellectual, and the struggle is over the extension of a copyright term or a software patent? As yet, we have no politics of the information age; we don't see the linkages between issues or perceive a common interest in apparently disparate situations.

Who is affected by the politics of intellectual property? Many groups are, though they might not see it that way. Some of the most innovative software engineers have objected to the extension of patent law to cover their products; they fear it will help create an oligopolistic software mar-

James Boyle, a professor of law at American University, is the author of "Shamans, Software and Spleens: Law and the Construction of the Information Society."

ket and diminish inventiveness. Gay rights activists, meanwhile, are told there can be no Gay Olympics because the United States Olympic Committee owns the word "Olympic" and won't permit its use. (After all, what could be more foreign to the traditions of ancient Greece than homosexuality?) Environmentalists wish that some of the profits on patented pharmaceuticals drawn from the rain forest could be returned to protect their source. Religious organizations protest the patenting of living organisms.

Each group is complaining about an intellectual property system that has expanded out of control. Yet they don't see those complaints, or their interests, as linked. Part of the problem is that we have not adapted our public debate to the realities of the information age. Censorship we understand. But the subtler forms of control imposed by ownership of information? These are harder to discuss.

Congress is now considering the Clinton Administration's proposal for intellectual property on the Internet, aimed at "saving" this thriving medium. Using a far-fetched theory of what constitutes "copying," the proposal would turn browsing an Internet document into a copyright violation. It would effectively privatize much of the public domain by transforming the current law of fair use. It would make on-line service providers strictly liable for their customers' copyright violations, thus giving providers an incentive to monitor what you do in cyberspace.

These proposals are extraordinarily far-reaching. They have been criticized by educators, librarians, writers, civil libertarians and entrepreneurs, who fear that the Net will become a pay-as-you-go information toll road. And yet there is scarcely any coverage of these issues in the press. "Intellectual property" is presumed to be too dry, too technical, an issue, one mainly of interest to specialists.

The information land grab isn't confined to the Internet. In fields ranging from software to biography, biotechnology to court reporting, the general tendency of intellectual property rights has been to grasp outward, ever outward. Some might say, Isn't this necessary? Information products are expensive to create, after all, and cheap to copy; that's why we need intellectual property rights, right?

But the issue isn't so simple. Imagine that you were the intellectual property czar, charged only with creating the most efficient, productive system of property rights. You don't care about free speech, artistic integrity or equal access. All you care about is economic efficiency. What would you do?

At first it might seem that you would just hand out copyrights and patents galore, and even expand the scope of such rights to give innovators a higher return on their investment. The greater their incentive, the more drugs, programs, data bases and gene maps they will develop, right? Not necessarily.

Although courts, economists and United States trade representatives often talk this way, the effect of intellectual property restrictions on innovation is not so clear-cut. Entrepreneurs have to be assured that time spent developing new software won't be wasted, that a profit lies at the end of the tunnel. But they also require an adequate amount of raw material; there has to be an adequate flow of information for the market to function.

This is true even in literature. "Poetry can only be made out of other poems; novels out of other novels," as the critic Northrop Frye famously put it. The same goes for computer programs, which build on the contributions of earlier backers, or for biotechnology projects, which rely on the availability of unpatented cell lines,

and so on and so on. Every intellectual property claim is a chunk taken out of the public domain. If classroom copying is sharply curtailed, if we give someone a software patent over basic functions, at some point the public domain will be so diminished that future creators will be prevented from creating because they won't be able to afford the raw materials they need. An intellectual property system has to insure that the fertile public domain is not converted into a fallow landscape of walled private plots. We are in danger of forgetting this.

Right now, the ground rules of the information society are being laid down by lawyers (strike one) employed by the biggest players in the field (strike two), all with little public debate or press scrutiny. This is bad politics in the thrall of worse economics. We need a politics and a press of the information age. Access to dirty pictures will be little consolation, and speech anything but free, if we let this moment escape our grasp.

Liberties

MAUREEN DOWD

Raffish and Rowdy

WASHINGTON

We're no angels. We are a noisy, imperfect lot struggling to scribble what has been called the first draft of history. The occupation has always had its hazards. As George Bernard Shaw wrote to a journalist: "Dear Sir, Your profession has, as usual, destroyed your brain."

But it is now so fashionable to bash the press that an entire bottom-feeding industry has grown up. There are a slew of books about making newspapers more civic-minded and a slew of ideologues and burnt-out journalists swanning about, calling themselves journalism experts and reformers.

When James Fallows is about to criticize someone in his book "Breaking the News: How the Media Undermine American Democracy," he tends to give them two nice adjectives. He describes me, for instance, as "tart and witty," before indicating that tart and witty descriptions of politicians' foibles are not the best way to help democracy.

I will return the favor. The slim and earnest Mr. Fallows starts from a false premise (the press used to be better), sets up fake choices (you can have stories on tactics or issues, personality or policy), and comes to an astonishing conclusion ("Instead of describing rivalries on the White House staff, the 'news' could treat the Presidency the way it does the scientific establishment, judging it mainly by public pronouncements and not looking too far behind the veil.")

The modern history of the Presidency — from the Bay of Pigs to the Gulf of Tonkin, from Watergate to Iran-cootra — illustrates why reporters must look behind the veil. But the veil is not especially democratic, and journalism is supposed to be the opposite of boosterism.

We don't need Mr. Fallows's version of "public journalism." If you want to appreciate the role of journalism in democracy, go to the Vietnam Memorial. I walk along the black wall, as it grows taller with names, and I think about how the men running the country sent so many young Americans to their deaths because they were driven by ego to insist on the veil, to lie and lie.

Mr. Fallows argues that Ira Magaziner and Hillary Clinton should have been allowed to develop their health care plan in secret. He suggests that the Times's "honest" and "diligent" Robert Pear impeded democracy by telling readers what the health care plan entailed.

But who decides what the public

needs to know? What makes the secret deliberations of government more democratic than the raucous probings of the press?

It is odd, to put it politely, to have Mr. Fallows righteously defending the veil. In 1979, he resigned his job as a speechwriter in the Carter White House and proceeded to make his reputation as a journalist by writing "The Passionless Presidency," a long attack on the personal failings of Jimmy Carter and their consequences for American politics.

Mr. Fallows's rhetoric was wild: "Like Marshal Pétain after the fall of France, he has offered his person to the nation. This is not an inconsiderable gift; his performance in the office shows us why it's not enough."

The new scolding Fallows would probably find the old scalding Fallows "cynical." It is not "civil," after all, to look so far behind the veil or "constructive" to betray the President who hired you to help him communicate with the public.

Americans did not become more disillusioned because the press distorted the workings of government but because the press exposed the workings of government.

Fallows offers a mistaken revisionism that there was a golden time

In defense of a pesky press.

in which the press did a better job explaining government and policy and politics than it does now," says Michael Kelly of The New Yorker. "The press does a better job and the public is hugely more informed about what's going on in Washington than it has ever been — and being hugely more informed does have a tendency to make one a little more cynical."

Mr. Fallows romanticizes the past, noting that in old movies "reporters were gritty characters, instinctively siding with the Common Man."

He should check out "The Man Who Shot Liberty Valance." There is a scene when the crusty, crusading newspaper editor in the Old West is asked to join a statehood committee. He explains that his job is not to help the polis, but to watch them to make sure they stay clean.

Democracy and civility are not the same thing.

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Sexual pioneer with a dark side

IF the start of this century's revolution in sexual attitudes could be pinned on one person, it would be Marie Stopes, founder of the British Empire's first birth-control clinic.

Stopes was a sexual pioneer in the 1920s in a world still bound by the rigid mores of the Victorian era.

The opening of the clinic just over 75 years ago was radical enough, but it paled beside the influence of Stopes's book *Married Love*, published in 1918, which preached the unheard-of notion that women should enjoy sex.

But the humanitarian who vowed to bring sexual fulfillment to the masses had a dark side. Stopes was also an advocate of eugenics — the selective breeding of humans — and treated her own husband with astonishing emotional brutality.

Stopes has been credited with transforming the sex lives of millions. To an ignorant male-dominated world, where women were expected to merely endure sex, Stopes introduced foreplay and declared that a mutually satisfying sex life was the key to the perfect marriage.

Married Love was a huge success. It was translated into 14 languages and sold over a million copies. In 1935, a group of American academics ranked it one of the most influential works of the previous 50 years, ahead of Einstein's *Theory of Relativity*.

"We could arguably lay much of the blame for our over-optimistic expectations of marriage squarely on her shoulders," wrote a reviewer of a recent biography of Stopes.

What was most astonishing about *Married Love* was that, at 37, Stopes was a virgin when she wrote it.

In a rare legal case, Stopes had her first marriage annulled in 1916 because it had proved sexually unfulfilling and was never consummated.

This was clearly a woman who was not going to put up with an unsatisfactory sex life, but it was also an early hint of the sheer, overriding force of her personality.

Stopes was married for a second time in 1918 to Humphrey Verdon-Roe, an aeronautical pioneer whose wealth freed her to devote her time to writing and carrying on her mission.

But while preaching marital bliss, Stopes herself was a cruel and domineering wife.

She forced Roe to write, at her dictation, a letter freeing her from sexual fidelity because he was unable to satisfy her.

Eventually Roe was banished to the attic of the 18th-century mansion they shared and had to earn permission to visit family rooms by doing household chores.

The couple's son, born when Stopes was 44, was equally dominated, although adored, by his mother, who was growing odder as she aged.

Harry Stopes-Roe was forced to wear either kilts or woolen trousers as a child because his mother was convinced anything else would damage his genitals.

When Harry finally rebelled and chose a bride for himself, his mother objected furiously that his fiancée wore glasses and that the purity of her descendants could be damaged by this tiny imperfection.

She wrote her son out of her will and when she died in 1958, the mansion was left to the Royal Society of Literature and Harry received the 13-volume *Greater Oxford Dictionary*.

Stopes's opposition to the marriage may have been partly rooted in possessiveness, but it was also a potent display of her eugenic convictions.

She believed the human race was in decline and that only selective breeding among perfect individuals — like herself — could save it.

She urged the sterilization of



Marie Stopes, founder of the British Empire's first birth-control clinic, was also an advocate of eugenics.

mothers with physical or mental disabilities and described her birth-control clinic as 'a sure light in our racial darkness.'

When a deaf-mute man wrote to her for advice on birth control, she rebuked him for even contemplating sex and then wrote to a charity declaring that people with such disabilities should not be allowed to have children.

Recent critics have said she was also a supporter of Hitler, because she sent him a volume of her poems, *Love Songs for Young Lovers*.

Her son has dismissed the idea. "It was a perversion to suggest she admired Hitler. She was anti-Nazi. Sending the poems was an example of her 'megalomania,'" said Stopes-Roe.

By the beginning of World War II, Stopes had given up proselytizing and turned her attention to writing poetry and literature.

She was disgusted that she was remembered solely as a birth-control pioneer.

"She was sick to death of us all. She had taught the man in the street to heave overboard the prurience and taboos of centuries so that he could soar up to the ultimate fulfillment of bliss — and what had he done? The oaf had used her gift like an extra gadget in the lavatory," wrote one obituarist. (Reuters)

From one Jew to 2,000

BEFORE World War II, the University of Southern California had a *numerous* *clausus*, or quota, system for its professional schools, striking in its simplicity.

One Jewish student was admitted to the medical school, one to the dental school and one to the law school.

Those statistics have changed, as Dr. Steven B. Sample, president of the private institution, told Jewish community leaders he hosted at a recent luncheon. Currently, the Jewish presence on campus encompasses 2,000 to 2,500 students, or 8-10 percent of the total enrollment, and one-third of all deans and professors.

Perhaps not coincidentally, the academic standing of USC — once known mainly for its athletic prowess — has risen sharply in the last few decades.

"The Jewish contributions have been immense," said Sample at a campus luncheon. "Our ties to the Jewish community are as strong as those of any other American university." Founded by the Methodist Church in 1880 and long considered a WASP bastion inhospitable to minorities, the USC turnaround has been startling.

As recently as the 1970s, USC elicited bows of protest from the Jewish community when it announced the establishment of a Middle East Studies Center, funded entirely by Arab oil money.

The center, delicately described by Sample as "a misstep," was stillborn and the money returned to its donors.

The transformation of USC can be credited to a number of factors.

USC, once a bastion of the WASP establishment, has come a long way from the days of its antisemitic quotas, Tom Tugend reports from Los Angeles

One is the change in American society from the pre-World War II era, when job listings in the *Los Angeles Times* routinely carried the proviso, "Only whites and Christians need apply." Another is the advent of a more enlightened leadership at USC, which was also mindful that its Jewish alumni tended to be unusually successful and generous to their alma mater.

Not least is the work of Joseph Roos, who was hired 15 years ago as a community relations consultant by the university.

The 87-year-old Roos, a legendary pioneer in battling antisemitism and hate groups, was honored at the luncheon for his "tireless dedication in fighting injustice and as a model for service to the community."

AMONG USC's current programs and rela-

tionships, noted Sample, are a Jewish studies curriculum attracting 500 undergraduates, including many non-Jews; active academic exchanges and joint studies with the neighboring Hebrew Union College, a relationship Sample hopes to extend to USC's new Skirball Cultural Center; and ties to the Hebrew University of Jerusalem and Tel Aviv University.

Sample is working toward the establishment of a Jewish studies center and fundraising is under way for an endowed chair in Jewish studies.

Cinema-school senior Joey Nussbaum cited his own career at USC as a good example of how things look from the students' perspective.

It started when, as a lonely freshman, Nussbaum was invited by campus Hillel director Rabbi Susan Laemmle to an Erev Shabbat celebration, and he was on his way.

Now president of the USC Jewish Student Union, Nussbaum worked with Hillel, fellow students and faculty to found or strengthen an annual Jewish awareness week, a Jewish film-makers forum, the residential Bayit and Schalom housing, both with kosher kitchens, Rosh Hodesh celebrations for women, and joint dialogue groups with Arab and black students.

Also available are a study program in Israel, a joint USC-HUC degree in religion, Hillel activities and lectures and symposia on Jewish topics.

"Whatever I needed Jewishly," the graduating Nussbaum said, "it was there."

EPA admits dioxin's harmful effects

THE US Environmental Protection Agency (EPA) has acknowledged the harmful effects of dioxin, a chemical released mainly by paper mills and incinerators.

According to a preliminary report, "low doses of dioxin can cause cancer and infertility, and even interfere with fetal development, even at the background levels that most people have in their bodies."

The final results of the four-year study will be published later this year.

It is the bleaching of paper products that produces so much dioxin, contaminating air and water

EARTHLY CONCERNS
D'VORA BEN SHAUL

sources and the subsequent incineration of paper products that pollutes the air, say the experts.

For this reason, many people are pressing for more unbleached paper products in everything from sanitary supplies and disposable diapers to coffee filters.

Dioxin has been suspect for a number of years. It now appears that in order to cause harm the dioxin must bind with a number of receptors called Ah receptors on cells. Just why this bonding happens in some people and not in others is not understood, but some

scientists say that this may mean that there is no level of dioxin low enough to protect some people from its effects.

In the meantime, the industries involved have mounted a massive campaign to try and show that dioxin is harmless and that the entire issue is a by-product of what they term "ecostoria" or, in other words, ecological hysteria.

They have found new friends in the Congress. After the last US congressional elections, a Republican-controlled Congress — known for strong anti-environ-

mental stands — canceled the appearance of a researcher sympathetic to environmentalists.

Instead, the Congress invited Michael Gough, a conservative think-tank member from the Cato Institute, and Kay Jones of Zephyr Consulting in Seattle. Both are known for their criticism of the EPA report and their support of industry. Both have worked extensively for industries that produce dioxin.

The EPA plans to release its full report later this year. According to Linda Birnbaum, one of its authors, there will be more detail about research, but the conclusions will remain the same.

Inadmissible evidence only counts when it makes a difference

In the Supreme Court, sitting as a Court of Criminal Appeals, before Justices Dov Levin, Gviathel Bach, Elyahu Mazza, Mishael Cheshin, and Yitzhak Zamir, in the matter of the State of Israel, appellant versus Yoram Abutbul, respondent (F.H.C 188/94).

LAW REPORT
ASHER FELIX LANDAU

JUSTICE BACH also adhered to his previous opinion. He agreed with Justice Zamir that any reasonable doubt as to the judge's having been influenced by the inadmissible evidence worked in the defendant's favor. In the present case, however, there was no place for a reasonable doubt.

His finding on this aspect was not based only on the judge having mentioned the polygraph test in his judgment. He referred to it twice, in different passages, without commenting that it was inadmissible and that he had disregarded it. Moreover, the judge stated the complainant had apparently undergone the test successfully, the defendant had tried to minimize its importance, and his counsel had vigorously opposed it. Referring to all these features in his judgment surely raised at least a reasonable doubt as to whether he did not rely on this evidence, particularly in view of the sharp conflict of evidence between the complainant and the defendant.

It was important, in his opinion, to direct judges that if they referred to inadmissible evidence, they should clarify that they disregarded it in reaching their conclusions.

JUSTICE LEVIN concurred with Justice Bach. The trial court, he said, had no need to refer to the polygraph evidence in its judgment. That it did so raised at least a doubt whether its purpose was not to strengthen and explain why it preferred the complainant's version to the defendant's.

Moreover, the whole occurrence was strange and the evidence of both the complainant and the defendant was full of contradictions and surprising allegations. The objective evidence too was insufficient to dispel doubts as to the defendant's guilt.

JUSTICE MAZZA accepted Justice Zamir's legal analysis of

the principles involved. He also accepted the presumption that the trial court was not influenced by the inadmissible evidence, noting that the strength of that presumption depends on the circumstances of each particular case. He also commented there was no conflict between the members of the court as to the principles involved.

He also held that where there was no other sufficient evidence to support conviction, and there was at least a reasonable doubt as to whether the trial court had been influenced by the inadmissible evidence, the defendant was entitled to be acquitted. On the other hand, less than a reasonable doubt on that point would not justify invalidating the judgment.

He agreed with Justice Bach that judges should be directed to make it clear that if they referred to inadmissible evidence, they did not rely on it in any way.

Despite the judge's mentioning the complainant's polygraph test, Justice Mazza continued, he was satisfied the judge had not relied upon it in convicting Abutbul. A close reading of the admissible evidence and the judgment showed clearly that the judge believed the complainant and disbelieved the defendant.

Although the complainant's evidence contained some surprising passages, it was clearly, on the face of it, far more convincing than the defendant's evasive testimony. In his opinion, therefore, there was no justification for the appeal court's invalidating the trial court's judgment.

IN THE result, and by majority decision, the District Court's judgment was restored as decided by Justice Zamir.

Miska Leibowitz, former senior assistant state attorney, appeared for the state, and Prof. Kenneth Mann and Shimon Shover appeared for Abutbul.

The judgment was given on February 28, 1996.

This is the second of two parts.

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THE GOSPEL LIBEL

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مكتبة القدس

BUSINESS & FINANCE

Monday, April 1, 1996

Leading indicators up sharply

Jerusalem Post Staff

THE Bank of Israel's index of leading indicators rose 0.9 percent in February...

the industrial production index declined by 1.1%, and remained unchanged during the six months up to February...

Osem Inv. posts 16% rise in net profits

GALIT LIPKIS BECK

OSEM Investments completed the year with a 16.3 percent real growth in net profits...

purchase of Mili and Tivall, and the establishment of a marketing and distribution network.

Osem has a 60% stake in the company, according to the agreement...

BUSINESS BRIEFS

Service center opens at Erez checkpoint: A service center to check items coming from Gaza and to answer questions Palestinian merchants may have regarding exports to Israel will open today at the Erez checkpoint.

Sales at kibbutz industries grow at double the national rate

Kibbutzim report 16% increase to NIS 9.5 billion

GALIT LIPKIS BECK

SALES at the kibbutz industries' 400 companies increased 16 percent last year to NIS 9.5 billion, compared to an 8% national industrial average real growth rate.

national average real growth rate of 9%. Eighty percent of the kibbutz industries' export growth was in the three leading branches.

in the kibbutz sector. Hertz said Bank of Israel Governor Jacob Frenkel's interest rate policy is wrong, particularly with regard to his policy on the exchange rate.

Tadiran registers \$35m. in capital gains following issue of subsidiary's shares

GALIT LIPKIS BECK

TADIRAN has registered capital gains of \$35 million following the issue of 20 percent of subsidiary Tadiran Telecommunications shares through a global offering in the US, Europe and Asia at the end of last week.

The underwriters of the issue, headed by Lehman Brothers, have an option to purchase an additional 750 shares at the issue price within 30 days.

The issued shares are traded on the Nasdaq market in the US and on the Automated Quotation International Stock Exchange in London.

Postal banks ready for expanded service

JUDY SIEGEL

COMMUNICATIONS Minister Shulamit Aloni yesterday instructed Postal Authority director-general Ran Levin to get the Postal Bank ready to provide expanded services.

Transport Ministry computer has already been hooked up to the postal branches to facilitate vehicle ownership transfers.

The Postal Bank does not aim to compete with the commercial banks, but the smaller banks will boost access to the public through the postal bank without investing in buildings.

PINK PANTHER Screen Saver Entertainment - on CD-ROM. Enjoy the hippest, coolest cat in cartoons - on your computer!!

Reading between the lines... you have time for trading action until 11 PM. ISRAEL DISCOUNT BANK

The Government of Israel Through the Government Companies Authority hereby announces that it is considering to sell all the shares held by the State of Israel (hereinafter: "the State Shares") in: "Naphta Israel Oil Petroleum Corp. Ltd." (hereinafter: "Naphta")

(תמ"ד) TARGET OXO Mutual Fund for Foreign Residents Date: 28.3.96 Purchase Price: 148.63 Redemption Price: 145.49

PRIME מר"ם Mutual Fund for Foreign Residents Date: 28.3.96 Purchase Price: 108.08 Redemption Price: 107.42

ISRAEL MONEY MARKETS Table with columns for Patah (foreign currency deposit rates), Shekel Foreign Exchange Rates, and CHECKS AND TRANSFERS.

For current information on securities in Israel and the U.S., including high-yielding U.S. government-backed debentures, call: M.H. MEYERSON & CO., INC.

National Insurance Institute Social Insurance Agreement Between Israel and Denmark As of today, April 1, 1996, the social insurance agreement between Israel and Denmark goes in effect.

Second Japan bank fails, but damage called limited

TOKYO (Reuter) - Japan woke on Saturday to only its second bank failure since World War II, but the shock was tempered by the relative small scale and increasing signs that the country's economy was reviving.

The latest victim of Japan's problem loans was Taiheiyu Bank, a regional bank in metropolitan Tokyo, which the Finance Ministry announced late on Friday would be liquidated.

The plan's main aim was to protect depositors to head off a run on the institution when its doors open again today. Last August, Kobe-based Hyogo Bank became the first bank failure in post-war Japan, setting off a rush by depositors to withdraw their money.

Taiheiyu's liquidation was needed to protect depositors money. He said the bank will continue ordinary business until the new bank is created from capital put up by the four banks.

High rates push shares lower

TEL AVIV STOCK MARKET

FELICE MARANZ



STOCKS opened the week with losses yesterday, as investors were drawn by high interest rates toward savings accounts and bonds and away from shares.

Analysts had been expecting share prices to rise yesterday, after Maof Index options expired Thursday. Many options investors had pegged the index at 200, about three points lower than its current level.

Gold futures close lower COMMODITIES ROUNDUP

COMEX gold futures came under pressure on Thursday, caused by a drop in petroleum prices as well as concerns that the market may be affected by recent Belgian Central Bank sales.

Britain to promote insurance schemes for elderly

HARROGATE (Reuter) - Britain plans legislation to encourage people to take up private insurance schemes to cover them for nursing care in their old age.

BBC radio. The principle of it is an insurance-based system... in the form of a partnership. We shall offer further protection for those savings in return for people contributing to an insurance scheme, he said.

Japan oil reform puts pressure on gas prices

TOKYO (Reuter) - Japan's relaxation of gasoline imports today is unlikely to open the flood gates, but is likely to turn the tap enough to put further pressure on already low retail prices and oil refiner's beleaguered bottom lines.

The prices of kerosene, used for heating, and gas oil, a basic transport fuel, were kept low because they were deemed necessities. But now trading houses, agricultural cooperatives and oil companies have moved to secure small supply deals with South Korean refiners to test quality, supply stability and prices.

World's biggest bank to open today

TOKYO (Reuter) - The world's biggest bank symbolically opens its doors today in a timely reminder that Japan's battered banking system is still a formidable force.

But the cost of becoming number one is high. Yushiro Ikuya, first vice president at Smith Barney International, sees basic merger costs of at least 40 billion yen to 50 billion yen.

Sweden plans budget cutback

STOCKHOLM (Reuter) - Sweden's Social Democratic government is planning budget consolidation measures of about six billion crowns (900 million) in 1997, Prime Minister Goran Persson said over the weekend.

Sweden plans budget cutback

"I am more uncertain about 1998. As for 1997 we are in the process of budget work and have to decide how much... I would say it is in the range of five to six billion crowns," news agency TT quoted Persson as telling party members.

Israel Discount Bank

Table with columns for Tel Aviv Stocks, Multi-sided trading, Two-sided trading, and various stock listings with prices and changes.

S. Africa's new finance minister pledges simpler taxes

JOHANNESBURG (Reuter) - South Africa's new finance minister says he will stand by the ruling ANC's promise to simplify taxes and broaden the taxpayer base.

The new finance minister said he supported changes to the running of South Africa's finances outlined by Liebenberg when he presented the budget last month. The changes included the setting up of an expenditure evaluation unit to ensure correct use of government funds and better management of the country's foreign debt.

ISRAEL DISCOUNT BANK

